Daily Report

Latin America

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FBIS-LAT-89-010 *17 January 1989*

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Cuba

Further on Troops Returning From Angola

Colome Speaks in Luanda

FL1201200589 Havana Tele-Rebelde Network in Spanish 1450 GMT 10 Jan 89

["Text" of speech by Army Corps General Abelardo Colome Ibarra at farewell ceremony for Cuban internationalists on 10 January in the 1 May Plaza in Luanda, Angola—recorded]

[Text] Comrade Jose Eduardo dos Santos, president of the People's Republic of Angola and of the MPLA [Popular Movement for the Liberation of Angola]-Labor Party; comrade leaders of Angola; gentlemen of the diplomatic corps; brothers in arms of the FAPLA [People's Armed Forces for the Liberation of Angola]; Cuban internationalist combatants; people of Angola:

Today the Cuban combatants who have lived and fought alongside the Angolan people begin their return to their fatherland.

The group which you make up [words indistinct] has the high honor of being the first to participate in an honorable return, fruit of the bravery and decisions made in combat, which are much greater than the number of men who today receive the fraternal tribute from Angola. Of this, [words indistinct] form part of the more than 300,000 Cubans who have, throughout these years, given their efforts and lives for the independence and integrity of this African country.

In Angola, [words indistinct] the dozens of thousands of combatants, who continue guarding their trenches and who will maintain their combative disposition until the last man and last day of their internationalist mission in Angola. [applause]

With the beginning of the return of its troops to Cuba, our government and that of Angola demonstrate their willingness to honor the bilateral agreement which marks the completion of the internationalist mission of our forces.

The true forgers of this agreement, which is part of a series of international commitments that will guarantee the security of Angola and promote the independence of Namibia, have been the men who rejected foreign aggression and broke the myth of South African superiority in this part of the world. [applause] We are proud that our FAR combatants, along with those protagonists of such a beautiful and revolutionary gesture, stand alongside the unselfish fighters of the FAPLA and the SWAPO [South-West African People's Organization]. [applause]

Cuba and Angola assume, on this historic day, the fulfillment of the past, and they hope that the obligations made by the other parties involved will be observed in the same manner, especially the unrestricted respect for Angola's sovereignty and the application, without modifications, of a resolution established by the international community to bring Namibia to the end of its colonial domination.

Thirteen years ago, when the legitimate Government of Angola called on us to help save its recently attained independence, we did not imagine that the result of that mission, fulfilled with modesty and which does not deny its fruits, would also inscribe its contribution to the conclusion of one of the most infamous cases in the history of colonialism.

Our people, educated by their Commander in Chief Fidel Castro Ruz on the principle that with the practice of internationalism we pay only a portion of our own debt of gratitude to humanity, developed in Angola their best virtues of sacrifice and selflessness.

If we said at one time that upon leaving Angola we would only take with us the appreciation of a people and the remains of our fallen, today, in front of everyone, we fulfill this statement.

Our forces thus respond to the decisive contribution made in the shaping of Cuba's nationality by hundreds of thousands of children of black Africa, who formed one of the early roots of our people.

During these long years, Angolans and Cubans can legitimately be proud of having forged a tradition of brotherhood among our respective peoples which will extend beyond the men who we had the extraordinary historic privilege of assisting in writing this exemplary page in the history of internationalism.

You, dear Cuban combatants, today receive the spontaneous recognition of the people and Government of Angola. On behalf of our own people and party, we sincerely thank you. Along with the lessons of self-denial and combat learned in this historic nation [as heard], you will always remain with us. Also, the brotherhood that came from fighting with the FAPLA will always be part of our best traditions of fighting. Cabinda, (Quepangongu), (Morros do Medunga), Cangamba, Cuito Cuanavale, Tchipa, (Caueque), and many other names from Angolan geography are written in glory in our own history.

First Group's Arrival Described

FL1201224189 [Editorial Report] Havana Television Cubana Network in Spanish at 0159 GMT on 12 January carries a delayed broadcast of the welcoming ceremony for the first group of Cuban internationalist soldiers arriving from Angola held at the Cacahual Mausoleum in Havana earlier in the afternoon of 11 January.

Coverage begins with Colonel Guerrero Ramos presenting to Commander in Chief Fidel Castro the honor guard paying tribute to the Cuban internationalist contingent returning home. Cuban President Fidel Castro and FAR

Minister Raul Castro are seen entering the mausoleum area together with a group of other leaders, PCC Politburo members Vilma Espin and Jorge Risquet among them. The camera follows the group until they reach the place where the podium is located while the crowd chants "Fidel, Fidel!" The 450 internationalist soldiers make their entrance as they receive the applause and cheers of the audience.

The ceremony begins when the Cuban flag is brought in. The band starts playing and a group of soldiers place a flower wreath at the foot of the mausoleum containing the remains of Lieutenant Antonio Maceo and his aide, Captain Panchito Gomez Toro. Another floral wreath is placed at the tomb of Blas Roca Calderio, which is located in front of the Cacahual Mausoleum.

After taps and three salvos, the camera shows a medium-shot of Fidel and Raul Castro at attention while the Cuban national anthem is played.

At 1214 GMT Colonel Venancio Avila Guerrero, chief of the troops, presents the contingent to Fidel Castro by saying that the "Cuban internationalist troops that compose the first contingent return victorious to the fatherland." A group of pioneers present flowers to the members of the contingent.

Pioneer Omar de Olmo Quesada reads a message welcoming the soldiers on behalf of the Jose Marti Pioneers Organization. He says: "We want to tell you that your example will be a force that will always drive us. It will make each one of us the continuation of what you are. We will give our blood if it is necessary anywhere in the world where our help is needed. These are not only words. We know this is not considered an extraordinary deed any longer. As Fidel said: We would only be paying the debt of gratitude with humankind."

Soldier Israel Porta Ramirez addresses the audience on behalf of the internationalist troops. He says they are happy to be back in Cuba after having fulfilled their missions. He notes they are proud of having helped build socialism in the brother country of Angola. Porta Ramirez remembers the fellow soldiers who died in the battlefield. He ends his message by saying: "Once more, we feel the legitimate pride of being sons of our combative, revolutionary, and internationalist people."

At 0223 GMT, FAR Minister Raul Castro approaches the podium and begins speaking. [Speech reported in following item] The ceremony ends with the camera showing Fidel Castro approaching the group of internationalist soldiers. He is seen shaking hands and chatting with them. The camera shows a soldier embracing a young boy.

Raul Castro Welcoming Speech

FL1201190389 Havana Radio Rebelde Network in Spanish 2122 GMT 11 Jan 89

[Speech by Army General Raul Castro, minister of the FAR, during the welcoming ceremony for the first group of Cuban troops returning from Angola held at the Cacahual Mausoleum in Havana—live. An identical recorded version of this speech was carried on Havana International Service in Spanish at 0312 GMT on 12 January, providing fills]

[Text] Dear comrade commander in chief, dear comrades:

In this historic memorial, symbol of the traditions of fighting, loyalty, and revolutionary intransigence of the Cuban nation, we welcome today the first group of combatants who begin the victorious return to the fatherland of our internationalist troops from the Peoples' Republic of Angola [RPA]. Receive the embrace of all the Cuban people for the over 300,000 compatriots who, throughout 13 years, shoulder to shoulder with the Angolan people, helped to defend and consolidate the sovereignty, territorial integrity, and independence of that brother country. [applause]

In the last few days, you have had the honor and satisfaction of being the objects of the expressions of recognition and gratitude from the MPLA [Popular Movement for the Liberation of Angola] government, FAPLA [People's Armed Forces for the Liberation of Angola], and the people of Angola, because of Cuba's solidarity with its revolutionary cause. This effort has had increasing importance and significance because our presence in the southern Africa region also contributed to the achievement of Namibia's independence, which, despite the call made by the international community and the struggle of the legitimate representative of its people, SWAPO [South-West African People's Organization], it has been illegally and shamefully maintained as a colony by the racist regime of Pretoria.

Angola will always be one of the most beautiful pages of the deep-rooted internationalist vocation of our people. A high exponent of last century was our national hero Jose Marti, who established very clearly that his great creation, the Cuban Revolutionary Party, was destined to obtain, together with the efforts of all men of goodwill, the independence of the island of Cuba, and to encourage and help obtain Puerto Rico's independence.

In the melting pot of the wars for independence, the blood of those born in this land joined that of thousands of men who had been forced out of their African land and turned into slaves. All of those who were struggling for the fatherland merged into one in the battlefields and created, with machete in hand, the Cuban nationality. Men from various latitudes of the world joined in that effort for the banner of independence. They dedicated

their heroism and sacrifice to our cause, especially the sons of other Latin American nations, who took up the cause and honored the Cuban feat.

The highest representative of the time was undoubtedly Maximo Gomez, the distinguished Dominican internationalist who, thanks to his integrity, ability, and love for Cuba, reached the top leadership of the liberation army. In this piece of land and history of the fatherland where we welcome you, we keep with special zeal the remains of Lieutenant General Antonio Maceo y Grajales, together with those of his aide Panchito Gomez Toro, the veteran son of the Dominican, courageous and simple, who, because of his service to Cuba and the fidelity he showed to his chief until death, won a place of honor among the great ones of the fatherland.

Maceo, who felt that the practice of internationalism was a natural trait of a revolutionary, did not hesitate to subordinate his military and political genius to Gomez, and also showed us the love for solidarity by proclaiming himself, and I cite him, a man who is dedicated to humankind above all.

This internationalist vocation inherited from the fatherland's heroes was manifested years later with renewed impetus in the determination to defend the Spanish Republic in the difficult times during which fascism was throwing all its power over the Spanish people. As part of the international support, Cuba—thanks to the dedicated work of its first Marxist-Leninist party, led by the unforgettable Blas Roca, who also is resting forever in this place—organized a detachment of over 1,000 combatants, who left to help the Spanish Republic. The figure of Pablo de la Torriente Bravo stands out among the Cuban internationalists fallen in those battlefields.

This feat is more and more admirable after over half a century considering the experience Cubans have today on this type of operations. Amid difficult circumstances, the Communist Party was able to silently mobilize, prepare, and send that contingent of Cuban internationalists, of which our people are also proud of today.

Even fresher is the indelible mark left in our fatherland by the exemplary revolutionary, the internationalist combatant par excellence of our times, Ernesto Che Guevara. [applause]

It was precisely Che who, in early 1965, before he joined the fighting that was going on in African lands, made contacts with Angolan revolutionaries fighting Portuguese colonialism led by Agostinho Neto. There would be endless examples in which our people have provided with decision or received with gratitude the contribution of internationalism or solidarity. In some cases, this practice went beyond ideological government barriers in order to reach their people, such as the time when the earthquake devastated regions in Nicaragua when this country was suffering from a bloody tyranny.

Comrades, in the battlefields of Angola, the blood and sweat of Africans and Cubans merged once again. History will record in an indelible way the epic of the battles of Cabinda, Quifangondo, the port of Medunda, Cangamba, Mucengue, Zumbe, Cuito Cuanavale, (Bechipa), Calueque, and the victorious advancement to the southwestern flank of the southern front, waged together with the FAPLA and the SWAPO fighters. [applause]

Not only did our combatants show in Angola the highest example of solidarity represented by internationalism, but we also learned there. Those lessons will be with us forever: the dedication and spirit of struggle of that people and the heroism and courage of the FAPLA combatants, who were brothers in combat with our FAR.

Civilian workers are also sons of those traditions: doctors, construction workers, and teachers, among them. Tens of thousands have worked with dedication for the welfare and happiness of the Angolan people. They turned into soldiers not a few times, resolutely and heroically taking up weapons.

It was necessary to prolong the presence of internationalist combatants in that part of the African Continent for many years because of the aggressiveness and arrogance of Pretoria and its supporters, who, time and time again, blocked the various attempts made by Angola and Cuba to reach a political solution to the southwest Africa conflict.

Only the defeats of South Africa in the military field showed the racist government the end of their superiority in that conflict and the unpredictable consequences that could occur if the attacks continued. This forced the Pretoria representatives to sit down at the negotiation table and the U.S. Government to accept the reality that no agreement could be reached without Cuba's participation, together with Angola, in the negotiations. [applause]

Thus an arduous and complex path, not without dangers, began, resulting in the agreements signed at the United Nations on 22 December of last year, based on the implementation of UN Security Council Resolution 435 for the independence of Namibia, respect for the sovereignty of the RPA, and the return of our troops from that sister nation. This was a sovereign decision between our government and the Angolan Government.

At times in which the future of the implementation of Resolution 435 for Namibia's independence is threatened by the maneuvers aimed at creating conditions to take away from the Namibian people their right to self-determination, the return of this first group to our fatherland—part of the 3,000 men to be withdrawn before the independence process for Namibia begins—is a show of the political will with which we will act in compliance with the commitments made officially at the highest international forum.

By honoring in this way the agreements reached jointly with Angola, our country also expects that the other parties will show seriousness and behave in line with the responsibility assumed with international public opinion. Its democratic and progressive forces firmly support those agreements. We reiterate once more that we will only take from Angola the deep friendship that bonds us with that heroic nation, the appreciation of its people, and the remains of our dear brothers fallen in the fulfillment of their duty.

In the coming months and until 1 July 1991, according to the timetable established in the bipartite agreement signed with the Angolan Government, the total and final return of the Cuban internationalist contingent will be completed. We will remain strong militarily in Angola until our last men are withdrawn. We reiterate to the compatriots who remain in their positions and to those who will still have to replace them the need and duty to maintain the highest combat readiness until the end.

It is just that on a day such as today, along with their direct protagonists, we render honors to the great collective and anonymous heros of this accomplishment; the hundreds of thousands of mothers, fathers, girlfriends, wives, children, brothers, and sisters who, throughout these years, have dealt with the absences of their loved ones without a single complaint. They are examples of muted heroism, support, and relief for our combatants who were thousands of kilometers from home. Before every wounded and fallen hero, they are worthy of the Maceo y Grajales stock. They have raised the fighters and have been willing to be their substitutes in combat. [applause]

After having worthily represented our people and after their anxious return to their families and friends, new duties await the active military, as well as the reserves, for the fatherland. We now expect the immediate incorporation of our victorious internationalists into the great struggle that has freed our nation under the leadership of the PCC and the commander in chief, for its social and economic development and, at the same time, their absolute willingness to continue fortifying our defensive capabilities by preparing the people for war. [sentence as heard]

There is no better occasion to joyfully receive the first of our combatants from Angola, to receive the men who bring with them the undefeated flag taken to African lands more than 13 years ago to show the PCC's decision to found a powerful association of Cuban combatants. This is an association in which you, dear comrades, will have a place, a place that was heroically won on the battlefield. This patriotic institution was called on to unconditionally defend, in good times and in bad, the conquest of the revolution, to preserve our most legitimate traditions of rebellion and combat, to maintain the internationalist spirit, and to help in the patriotic, military, and internationalist education of the younger generations.

Those who nourished the ranks of the rebel army will be part of that association: the clandestine fighters, the protagonists of the struggle against outlaws, Playa Giron, and other actions no less heroic, in defense of the revolution. They will become part of the combatants of the internationalist missions that have taken place since the triumph of the revolution and, of course, the heroic veterans who fought in defense of the Spanish Republic. [applause] There were hundreds of thousands of men. Perhaps, and of this we are sure, there were over half a million, including the veterans and wise youth, such as the group you represent.

You should maintain the patriotic and internationalist spirit that was forged from the very begining of our struggle for independence. This is a struggle which is today one of the Cuban people's most important values. From all of them, and before all of you heroic fighters in Angola, the people, the PCC, and Fidel expect the same combative and hardened spirit. We confide in you.

Welcome, comrades. The fatherland receives you thankfully and proudly. Long live the eternal friendship between Cuba and Angola! [crowd responds "Viva!"] Long live Fidel! [crowd responds "Viva!"] Fatherland or death! [crowd answers "We shall win!] [applause]

Havana Welcomes Returning Troops

FL1201030389 Havana Television Service in Spanish 0100 GMT 13 Jan 89

[Text] The city of Havana received its internationalist combatants who returned victorious from Angola during a mass event today. [video shows soldiers being cheered by the people and receiving flowers] The group of internationalists who reside in the city are composed of combatants from various forces. Among them are comrades who compose the women's artillery regiment of the capital, first of its kind in the country.

[Begin recording, unidentified woman in military uniform] We are very proud of having fulfilled that mission. We are willing to continue fulfilling any mission assigned to us by our party and our commander in chief. [applause] [end recording]

The welcoming remarks were made by Pedro Chavez, president of the Provincial Assembly of the People's Government in Havana City.

[Begin Chavez recording, in progress] ... and production and defense brigades to wage the war of all the people if it is necessary. Welcome, dear internationalist combatants, to the capital of the first socialist country in America [applause] that receives you with gratitude and is proud of you. [crowd applauds and cheers] [end recording]

Raul Castro Receives 2d Group

FL1301032089 Havana Radio Reloj Network in Spanish 0302 GMT 13 Jan 89

[Text] Close to 150 internationalists, who successfully fulfilled missions in Angolan lands and make up the second group who return victorious to this country, have been received in this capital by Army General Raul Castro. The second secretary of the PCC and FAR minister also received Army Corps General Abelardo Colome Ibarra, who attended the farewell ceremony given to the Cuban combatants in Angola.

Officers, noncommissioned officers, and soldiers who participated in the defense of Cuito Cuanavale as members of rocket, tank, and other armed troops are among the internationalists. Likewise, comrade nurses who remained for over 1 year fulfilling internationalist missions under the military also returned to the fatherland.

Raul Castro Greets Soldiers

FL1401032589 Havana Radio Reloj Network in Spanish 0302 GMT 14 Jan 89

[Text] A new group of victorious Cuban internationalist combatants who fulfilled missions in Angola arrived in our fatherland in the last few hours. The group was welcomed by Army General Raul Castro at the Jose Marti Airport in the capital.

Close to 150 officers, noncommissioned officers, and soldiers make up this group. They were greeted at the foot of the plane's steps by leaders of the party, government, and other political and mass organizations.

Their faces show the happiness and pride of achieving military and political success in Angola and also facilitating independence for the sister Namibian nation. They also show on their chests the numerous decorations and awards won by their courage in the fulfillment of the mission of solidarity, which in fact turns them into everyday heroes of our fatherland.

Gen Rosales Welcomes 2d Group

FL1401191689 Havana Radio Rebelde Network in Spanish 1800 GMT 14 Jan 89

[Text] The official receiving ceremony for the members of the Second Combative Contingent of Cuban internationalists was held this morning at the Cacahual Mausoleum. After taps was played, a group of victorious internationalists placed a floral wreath before the monument of the Bronze Titan, Antonio Maceo, and his aid, Panchito Gomez Toro.

Juan Cortino, member of the Young Communists Union, spoke on behalf of the political and mass organizations of our country.

Division General Ulises Rosales del Toro, first vice minister of the FAR and chief of the General Staff, was in charge of giving the main speech at the ceremony. In his speech he noted the historical ties that unite Angola and Cuba, stressing that Cuban and Angolan blood has been mixed since the times of the war for independence.

When referring to the role played by the Cuban internationalists' in Angola—their attitude and heroism in helping to reach the tripartite agreements—Gen Rosales said:

[Begin recording] The crushing military defeats suffered by South Africa and the grave consequences that this could mean for them forced their representatives to the negotiation tables. It also made the U.S. Government accept the fact that a negotiated agreement for the region without Cuban participation would not have been possible. [end recording]

Div Gen Ulises Rosales del Toro ended his speech by saying:

[Begin recording] My dear internationalist brothers, welcome home! Your fatherland receives you proudly and thankfully. Long live the eternal friendship between Cuba and Angola! [crowd answers "Viva!"] Long live our dear and undefeated commander in chief! [crowd answers "Viva!"] Fatherland or death! [crowd answers "We shall win!"] [end recording]

More Returnees Arrive 15 Jan

FL1601145389 Havana Tele-Rebelde Network in Spanish 1200 GMT 16 Jan 89

[Text] One hundred and fifty-six more internationalist combatants returned to the fatherland last night happy and satisfied for having fulfilled the mission assigned to them in the sister Republic of Angola. The Aeroflot airliner that brought them from Luanda, the Angolan capital, landed around 2100 at one of the annexes of the Jose Marti International Airport.

Jorge Risquet Valdes, member of the PCC Central Committee's Politburo, went to welcome them. Jose Ramon Balaguer, secretary of the PCC Central Committee, representatives of the UJC [Union of Young Communists], mass organizations, and generals, chiefs, and officers of the FAR and the MININT [Interior Ministry] also welcomed the group.

More on Returning Troops

FL1601170589 Havana Tele-Rebelde Network in Spanish 1330 GMT 16 Jan 89

[Text] Over 1,000 internationalists have returned to the fatherland with the arrival of a new group of combatants from Angola last night. One hundred and fifty-six comrades arrived in the country on the last flight from Luanda. They were received at the air terminal by Jorge Risquet Valdes, member of the PCC Politburo; Jose

Ramon Balaguer, secretary of the PCC Central Committee; and chiefs and officers of the FAR and MININT [Interior Ministry]. Representatives of political and mass organizations also welcomed them.

International news agencies reported that another ship headed for Cuba left Luanda late Sunday with another group of combatants.

Third Contingent Congratulated

FL1601194089 Havana Tele-Rebelde Network in Spanish 1800 GMT 16 Jan 89

[Text] The welcoming ceremony for the third contingent of internationalist combatants that returned victorious to the fatherland was held today at the Cacahual Mausoleum, where the remains of Lieutenant General Antonio Maceo and his aide Panchito Gomez Toro are located.

During the ceremony, combatants placed a floral wreath at the foot of the monument and at the tomb of outstanding fighter Blas Roca Calderio. Jorge Risquet Valdes, member of the PCC Politburo, presided over the event. [video shows Colonel Guerrero Ramos presenting the honor guard, Jorge Risquet and other officials standing at attention, and internationalists making their entrance into the mausoleum area]

[Begin recording] [Marta Fuego, member of the Secretariat of the Federation of Cuban Women, identified by caption, in progress] ...victory reached in the battlefields overseas where Cubans and Angolans defended together the just cause of the right of the peoples to choose their path. For 13 years, every time we said Angola we meant heroism, brotherhood, and internationalism. [applause] [end recording]

The closing remarks of the event, attended also by generals, chiefs, and officers of the FAR and MININT [Interior Ministry], were delivered by Jose Ramon Balaguer, secretary of the PCC Central Committee. The party leader welcomed the combatants and congratulated them on behalf of all the people.

Nujoma on Proposed Reduction in UN Group

FL1201141989 Havana Tele-Rebelde Network in Spanish 1200 GMT 12 Jan 89

[Text] Sam Nujoma, president of the South-West African People's Organization, SWAPO, has reiterated the importance of not reducing the numbers in the UN assistance group for the transition in Nambia.

Nujoma said to the press at the United Nations that any measure to (?reduce) the composition of said group will not benefit the process of independence in Namibian territory, nor will it guarantee free and just elections. The SWAPO leader said that one must wait for the response that is supposed to be given this week by the five permanent security council members to the proposals made by the Nonaligned countries who are members of the organization. The proposals deal with attempts to reduce the numbers of the assistance group for the transition in Namibia.

Dos Santos Cited on Modifying Resolution 435

FL1301144689 Havana Tele-Rebelde Network in Spanish 1200 GMT 13 Jan 89

[Text] Angolan President Jose Eduardo dos Santos has affirmed that UN Security Council Resolution 435 on Namibia should be respected. He warned that any modification will create difficulties and a lack of confidence in the negotiating process in southwest Africa.

The daily newspaper, JORNAL DE ANGOLA, published an interview granted by Dos Santos to U.S. journalists present in Luanda for the beginning of the internationalists' return to Cuba.

The Angolan leader also expressed his hope that the Security Council will not alter the composition of the UN forces during the transition period in Namibia in order to guarantee and control the decolonization process in that territory.

UN Resolution 435 To Take Effect 1 Apr

FL1701013189 Havana Radio Rebelde Network in Spanish 0001 GMT 17 Jan 89

[Text] The UN Security Council has set 1 April as the effective date of Resolution 435, which will make possible the independence of Namibia.

The measure adopted by the council this afternoon is contained in a resolution which calls on South Africa to immediately and substantially reduce its police forces currently in Namibia so that a reasonable balance can be attained between the police forces and the United Nations group that will assist in the transition.

The document also expresses concern over the increase of these forces and paramilitary groups, as well as over the creation of territorial forces in southwest Africa, since 1978. It stresses the need to guarantee conditions that will allow the Namibian people to participate in free and just elections under the supervision and control of the United Nations.

The Security Council notes that these events make it appropriate to once again examine the elements necessary for the UN group to efficiently fulfill its mandate which includes, among other things, the vigilance of borders, prevention of infiltrations and intimidation, and the safe return of refugees and their free participation in the electoral process.

Further Reportage on Visit by Iran's Larijani

Meets Castro

FL1301124389 Havana Tele-Rebelde Network in Spanish 1200 GMT 13 Jan 89

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has received Mr Mohammad Larijani, deputy foreign minister of the Islamic Republic of Iran, who conveyed a message to Fidel from Iranian President 'Ali Khamene'i, as well as Khamene'i's congratulations on the 30th anniversary of the triumph of the revolution.

During the course of the meeting, Fidel and Larijani analyzed the state of bilateral relations and specific aspects of the international situation.

The commander in chief reciprocated the greetings from the Iranian president and expressed his appreciation for the congratulations he received on the anniversary of the triumph of the revolution.

Cited on Angola

FL1301133889 Havana Radio Progreso Network in Spanish 1200 GMT 13 Jan 89

[Text] Iranian Deputy Foreign Minister Mohammad Larijani yesterday stressed the role Cuba has played in soutwest Africa. He said that one of the most important results of Cuba's international assistance to Angola is that it has promoted the conditions for Namibia's independence.

Larijani, who is in Havana on a friendly visit, stressed that history will be responsible for recording Cuba's role in the process of decolonizing Namibia.

Invites Castro to Tehran

LD1301205989 Tehran IRNA in English 2051 GMT 13 Jan 89

[Text] Tehran, Jan. 13, IRNA—Iranian Foreign Ministry envoy to Havana Mohammad Javad Larijani on Thursday met and conferred with Cuban leader Fidel Castro. The Iranian envoy is in Havana on the occasion of the thirtieth anniversary of the Cuban Revolution.

Larijani also delivered a written message from President Khamene'i to the Cuban leader, and invited Castro to visit Tehran at a convenient future occasion.

The Cuban leader and the Iranian official also exchanged views on the forthcoming assembly of foreign ministers of the Non-Aligned Movement in the light of Namibia's independence.

Minister Criticizes U.S. at Weapons Conference

FL1201204989 Havana Television Service in Spanish 0100 GMT 12 Jan 89

[Text] Cuban Foreign Minister Isidoro Malmierca today spoke before the international conference on chemical weapons which is being held in Paris. The conference began last Saturday.

The Cuban representative warned of the possibility that the United States, with its campaign against Libya, might try to cover up a maneuver to block the negotiation process, which has been taking place in Geneva for almost a decade, to reach an agreement to prohibit chemical weapons.

Malmierca reaffirmed Cuba's determination to fight to eradicate that type of weapon and reminded the conference of the bacteriological aggressions suffered by the Cubans during the revolutionary period.

Several sources have stated that the final touches were given today to the text which will be presented tomorrow at the closing of the conference.

GDR's Honecker 'Impressed' by Castro Speech

FL1201185789 Havana Radio Progreso Network in Spanish 1200 GMT 12 Jan 89

[Text] Erich Honecker, chairman of the GDR Council of State, met yesterday with Ramiro del Rio, Cuban ambassador to that country.

Honecker said he was impressed by the speech given by Fidel on the occasion of the 30th anniversary of the revolution. He also said he supported the process of transformations that is taking place in our country, and he reiterated his desire to meet again with President Fidel Castro. Honecker expressed to the Cuban diplomat the concurrence of his country's positions with the statements made by Fidel at the beginning of the year.

In the presence of the ambassadors from other countries, the German democratic leader expressed his high opinion of the development attained by Cuba in the past 3 decades. He also praised the growing international prestige of the Cuban Revolution.

The complete text of the speech Fidel gave at the beginning of the year was published last weekend by NEUES DEUTSCHLAND, official organ of the Socialist Unity Party of Germany.

Argentina's Alfonsin Receives Rodriguez

FL1201132389 Havana Tele-Rebelde Network in Spanish 1200 GMT 12 Jan 89

[Text] Argentine President Raul Alfonsin has received Cuban Vice President Carlos Rafael Rodriguez, who is on a working visit to Buenos Aires.

Argentine Foreign Minister Dante Caputo and the Cuban ambassador to that country, Santiago Diaz Paz, attended the meeting, which was held at the Olivos Residence [the official presidential residence]. During the meeting they discussed aspects related to the international situation and the development of bilateral relations between the two countries, according to PRENSA LATINA.

Venezuelan Trade Official Arrives for Talks

FL1201145589 Havana Tele-Rebelde Network in Spanish 1200 GMT 12 Jan 89

[Text] Dr Eduardo Mayobre, president of the Foreign Trade Institute of Venezuela, has arrived in Cuba on a working visit.

Cuban Foreign Trade Minister Ricardo Cabrisas; the charge d'affairs of the Venezuelan Embassy, (Francisco Chasin); and other Ministry of Foreign Relations officials welcomed Dr Mayobre at the airport.

During his stay in Cuba, Dr Mayobre will sign a (?partial) agreement which will include the tariff decisions agreed upon by the two countries for some export products. He will also participate in talks related to the current and future development of Cuban-Venezuelan trade relations, which will allow for an increase in bilateral trade.

[Begin recording] [Reporter] Minister [as heard], what prospects do you see for trade relations between the two countries?

[Eduardo Mayobre] The prospects are good. That is precisely the reason for my trip—to bring about a trade agreement which permits the improvement and progress of these possibilities. [end recording]

20 Leaders To Attend Venezuelan Inauguration

FL1301142489 Havana Tele-Rebelde Network in Spanish 1200 GMT 13 Jan 89

[Text] Approximately 20 presidents and chiefs of governments, primarily from Latin America and the Caribbean, have confirmed their decision to attend the 2 February inauguration of Venezuelan President-elect Carlos Andres Perez. The Latin American and Caribbean presidents and chiefs of governments who willgather for this occasion will meet on 1 February under the auspices of SELA in the Romulo Gallegos Center in Caracas to hold a ceremony for regional unity. Among those speaking at this event will be Andres Perez, SELA Secretary Carlos Perez del Castillo, and a president who will speak on behalf of the visitors.

It was also unofficially announced that on 3 February the presidents of the Group of Eight countries attending the inauguration in Caracas will issue a document to express their joint position on the foreign debt.

Espin Presents 23 August Banner to PNR Unit

FL1201161989 Havana Tele-Rebelde Network in Spanish 1200 GMT 12 Jan 89

[Text] Vilma Espin, member of the PCC Central Committee Politburo and president of the FMC [Federation of Cuban Women], presented the 23 August banner to PNR Unit No 14 of Guanabacoa Municipality.

During the ceremony held at the Guanabacoa amphitheatre, a group of members of the PNR Unit No 14 received, by agreement of the FMC, the 23 August award, which is granted by the Cuban Council of State. In concluding the ceremony, Brigadier General (Alberto Garcia Entenza), director of the PNR General Directorate, expressed satisfaction for the recognition granted and the prestige achieved by PNR Unit No 14. The ceremony was also presided over by party, FMC, and Ministry of the Interior personnel.

Government Sends 234 Haitians Back Home

FL1201155689 Havana Tele-Rebelde Network in Spanish 1200 GMT 12 Jan 89

[Text] Once again, our country abides by one of its ineludible principles—respect for human rights. This time, the scene is at the Guantanamo airport.

A total of 234 Haitians who recently arrived in our country aboard a ship in very poor condition left today for their country from the Mariana Grajales airport in Guantanamo. This totals over 1,000 Haitian citizens who, in search of better living conditions—preferably en route to the United States—have arrived at our coasts. In every case, they have been put up at the Punta de Maizi camp, given medical assistance, and then sent on flights home—which to date total over 20 flights since October 1986.

The group that is leaving today had arrived on the ship "Santa Clara," which ended up at the Holguin coast, and aboard another almost destroyed ship which ended up in Baracoa. A member of this group has remained in the hospital in Guantanamo until he has recovered from tetanus.

Guantanamo assumes with a lot of responsibility the rehabilitation and return of the Haitian citizens who arrive from all directions to our country, according to Esmildo Gutierrez Sanchez, secretary general of the Cuban Red Cross.

11 Colombian Drug Traffickers Expelled

FL1201195289 Santo Domingo Tele-Radio Noticias Television and Radio Network in Spanish 0935 GMT 12 Jan 89

[Text] Eleven Colombian citizens, among them a pilot, have arrived in Bogota and Barranquilla after having been expelled from Cuba where they served out sentences for drug trafficking.

The Colombian police reported that the 11 Colombians had been arrested a little under a year ago for violating Cuban airspace in a plane which was forced to land on the Caribbean island. They were carrying 429 kg of cocaine aboard the plane. The detainees were [words indistinct] and sentenced in Cuba for a term of (?no less) than 10 years in prison.

Those expelled include pilot Jaime Jesus Caramillo, [name indistinct], and Edgar Rojas Guerrero, among others.

Haiti

9 Feb National Forum To Discuss Council

FL1701114589 Bonaire Trans World Radio in English 1130 GMT 17 Jan 89

[Text] Haiti's military government has called for a national forum to be held in February. This is to discuss creating an electoral council that would oversee presidential elections. This will be held the same day as the Jamaican election, February 9th, but was picked by General Prosper Avril to fall sometime after February 7th, which is the anniversary of the fall of the Duvalier dictatorship.

Salinas de Gortari Cited on Labor Relations

PA1301131489 Mexico City XHTV Television in Spanish 0200 GMT 13 Jan 89

[Report by Cynthia Lara; passages within quotation marks recorded]

[Text] President Carlos Salinas de Gortari said today that individual interests do not and will not prevail over the nation's interests.

Salinas de Gortari spoke today at Los Pinos [the presidential residence] after receiving New Year's greetings from members of the Confederation of Mexican Workers [CTM], headed by their leader Fidel Velasquez.

[Salinas de Gortari] "I reaffirm to you my commitment to protect the well-being and security of Mexicans and to work untiringly to strengthen Mexico, a task we must accomplish with unity, cooperation, and work, and within the framework of a legal state."

Salinas added that the alliance between the state and Mexican workers is indestructible, and that it is based on respect and cooperation.

[Salinas de Gortari] "I firmly believe in Mexican labor unions, which will have all my support and that of my government. Together we will honor our commitment to create the necessary laws to modernize the legal framework of worker-employer relations that Mexico's present and future demand."

President Salinas de Gortari demanded national unity to face the foreign debt and economic growth problems. Acting CTM Secretary General Alfonso G. Calderon ratified the CTM's support for President Salinas de Gortari's government, adding that a rupture of the Economic Growth and Stability Pact would be fatal. Therefore, he added, workers will be against anyone trying to break that pact.

At the end of the meeting, Labor Secretary Arsenio Farell said the Labor Secretariat will not acknowledge Ricardo Camero as the new leader of the oil workers' union because the union's regulations were not followed.

[Farell] "According to the regulations, Interior Secretary Melendez should assume the duties of secretary general."

Farell added that the arrest of La Quina [nickname for Joaquin Hernandez Galicia, leader of the Mexican oil workers union] is not an attack on unions or workers' organizations.

[Farell] "The action was not aimed at ignoring the victories that oil workers have achieved through many years of struggle or depriving them of their rights; it was merely a legal action."

Further on Arrest of Union Leader, Reaction

Pemex-Union 'Collusion' Ended

PA1301190989 Mexico City UNOMASUNO in Spanish 11 Jan 89 p 3

[Editorial: "A Case of Collusion Ends"]

[Text] The power of the oil workers union was not created under its current leadership. Since the expropriation of Pemex, a growing portion of its operations have fallen into the workers' hands. Jesus Silva Herzog raised charges of corruption, patronage, and political and economic privilege shortly after the expropriation. He describes in his memoires how he had to resign from Pemex because of pressure from the union, which had the full support of the administration of [former President Manuel] Avila Camacho.

Since then, and with the sole exception of Jesus Reyes Heroles' tenure as Pemex's head, Pemex has protected and enhanced the power of La Quina [Joaquin Hernandez Galicia]. The downfall of Reyes Heroles, who was from Veracruz, implied the definitive consolidation of the oil workers union, which reached its zenith during the administration of Jorge Diaz Serrano. The power formula was simple: A growing share of the contracts Pemex farmed out were granted to the union and its businesses without asking for bids. The contracts allowed the union not only to establish the economic base for its political power, but also to extend its influence through the building of real financial and industrial empires, such as the one represented by Sergio Bolanos and the one in which La Quina and several other oil leaders had a share. The cost of this to Pemex has undoubtedly been huge. Pemex now has some of the highest operating costs among its equals in the world.

Miguel de la Madrid tried to undermine La Quina's power in 1983, and during Ramon Beteta's tenure the Planning and Budget Secretariat, which was then headed by Carlos Salinas de Gotari, ordered that contracts no longer be granted to the union without calling bids. This was the beginning of a confrontation whose climax we witnessed yesterday. Several months later, and following a number of strange accidents at Pemex plants, the Pemex workers engaged in bolder actions and publicly defied President de la Madrid.

With Francisco Rojas at the head of the parastate agency and with the process of presidential succession already in full swing, an attempt was made to revive the old tactics of cooperation (not free from complicity) with the oil workers' leaders. However, differences were already too sharp and the political conflict had widened because of the oil workers' decision to condition their support for then candidate Salinas de Gortari; the subsequent demand, on 6 July, for a larger share of power in the parastate agency; the accusations against Beteta; the

announced decision to retain the leadership of the Confederation of Mexican Workers; and the alleged financing of opposition groups. The combination of all this blew to pieces 5 decades worth of collusion between the enterprise and the union.

The string of concessions to La Quina was already unbearable, but it was the various Pemex administrations that, like true sorcerer's apprentices, created the union's power.

Paper Praises Action

PA1501133889 Mexico City EL NACIONAL in Spanish 11 Jan 89 p 3

[Three-part editorial: "Criminal Empire," "Dirty Money," and "Political Gang"]

[Text]

Criminal Empire

The Mexican Attorney General's Office has accused Joaquin Hernandez Galicia and his associates of "...the proven murder" of Attorney General's Office official Gerardo Antonio Zamora Arrioja, killed in Ciudad Madero by the trade union chieftain's gunmen, and "...the possession, storage, and possible illegal introduction" of forbidden firearms into the country.

These lawbreakers have been brought before the authorities simply because such criminal actions need to be punished. The charges are so well-defined—and the abovementioned illegal actions are so evident to the public—that there is no room for any misinterpretation. There is no justifiable purpose or reason to assume this punishment is politically motivated. It is not aimed at persecuting a specific union, much less at implementing a repressive policy or tough stance against labor organizations. Those who were arrested broke the law and must pay for their actions. That is all.

Hernandez Galicia had worked toward creating a criminal empire for the last 30 years, employing the same criminal methods used in other countries and at other points in time. He had even surpassed the legendary Alfonso Capone. After all, Capone exerted his power strictly in the north central region of the United States. Hernandez Galicia imposed his domain with bloodshed and fire throughout Mexico, taking refuge in union positions. What is worse, he not only used the labor unions as the basis of his power; he also used Pemex, the state company symbolizing the revolution's most important achievement.

He bribed thousands of people to obtain dirty money. He rigged oppressing contracts and derived percentages from works and properties that had nothing to do with the petroleum workers' union. He diverted union funds. He used the workers' economic contributions to create companies he and his cohorts came to use as their source of petty cash. He illegally and immorally extorted money from men and women who were forced to accept this "method" to obtain work at the factory.

With these ill-obtained resources—an incalculable fortune—Hernandez Galicia financed the framework of political power that he used to satisfy his personal whims and to hand out sinecures to his henchmen and followers. Nothing was further from his mind than the petroleum workers' well-being or Pemex's future. Hernandez Galicia did no service for the country; instead, he used his criminal methods to take advantage of Mexico.

An empire of corruption and slander came to an end yesterday.

Dirty Money

Hernandez Galicia, Salvador Barragan Camacho, and their accomplices were well known both in Mexico and abroad for their largesse. They gave away expensive and illegally imported cars, equipped with tinted windows and modern radio-telephone systems; frequent trips to Las Vegas to throw hundreds of thousands of dollars away in one night; and breathtaking mansions. Their hands were ostentatiously and immodestly bejeweled, and they were undaunted by the justified resentment of humble workers.

They were always surrounded by that court of lackeys and murderers—the escorts whose fierce, rapid, and nervous gestures displayed an inclination toward violence they thought would go unpunished. These were the chieftain's daily companions.

Yet this could be considered nothing more than an anecdote and an expression of arrogant bad taste. Sergio Bolanos was the man they used to camouflage their economic empire. Otherwise, they went to no great pains to hide their fortunes or their participation in various areas of investment and financing. Everyone in Mexico knew Grupo Serbo was Sergio Bolanos and that, in the final run, this self-proclaimed financial genius had given in to the blows he received and had done nothing more than lend his name and obey the orders of those who truly possessed the economic wealth and political power.

Success made them daring, but it also made them lose their sense of proportion. Their efforts took them as far as proposing that the government purchase Aeromexico and other unincorporated parastate companies. They even published paid advertisements in some media complaining of what they described as "discriminatory treatment." Clearly, no responsible government would allow a mob to control such strategic elements in the nation's economy.

Political Gangs

These men insisted on behaving like feudal masters in control of power; they charged protection money, organized armed groups, and parodied justice. Their pride made them forget the basic rule that no state can tolerate another state within its territory.

The oil bosses' political power was based upon terror, which was a bitter fact well-known to everyone. For decades, dissident labor leaders were intimidated, persecuted, and quite often murdered.

The bravery and sacrifices of many oil workers who openly struggled to clean up and dignify their union were repaid with violent deaths, and for many years these crimes went unpunished.

Hernandez Galicia and his men viewed this powerful labor union as their sinecure; the labor union belonged to them and they were the labor union. Ironically, the following phenomenon took place: Oil workers who had not secured traditional union coverage and had not been mistreated found themselves exploited, oppressed, and frightened by union leaders. It was the monstruous degeneration of a resistance organization that originated from the noblest intentions.

Though this government has expressed a desire to deepen and enrich the nation's democratic life, and in keeping with these objectives has implemented a program aimed at improving the living standards of the poorest sectors, it must also strengthen its ability to safeguard citizen morality and adherence to the law. Consequently, the arrest of these immoral leaders affirms the government's will to guarantee legal behavior and to protect society and its institutions.

It would have been easy to disapprove of the illegalities and tolerate this exercise in the control of power. The individuals arrested are, to be sure, wealthy, influential, and capable of defending themselves by spreading false reports contrary to the state's true intentions. We are not, however, about to make compromises. Every aspect of Mexican life must be modernized; to achieve this, all rearguard actions, including feudalism, must be eliminated. We must adhere to the law, therefore, and erradicate reigns of terror that never should have existed.

'La Quina' Associate Flees

PA1301154089 Madrid EFE in Spanish 0351 GMT 13 Jan 89

[Text] Reynosa, Mexico, 12 Jan (EFE)—It was learned here today that Jose Cruz Contreras, former mayor of Reynosa, Tamaulipas State, has fled abroad. Cruz Contreras was accused by former oil union leader Joaquin Hernandez Galicia as being responsible for illegally bringing into the country an arms cache that was seized last Tuesday.

According to information from Alicia de la Rosa, Cruz Contreras' secretary, her boss, accompanied by his family, left for Houston on 9 January "to visit a sick relative."

However, it was learned that Cruz Contreras, who is also a former leader of the PRI in Tamaulipas State, left for Brazil or Venezuela, where he apparently has several businesses in partnership with Hernandez Galicia, also known as "La Quina."

Cruz Contreras' house is empty. Even the security personnel and domestic help have left, and the police have not conducted a search.

On Wednesday night, "La Quina" told an official of the Federal Attorney General's office in Mexico City that the arms and ammunition seized by the government were his and that they were purchased in the United States.

He added that he had ordered the weapons in November from his "good friend" Cruz Contreras, who is nicknamed "the godfather."

"La Quina" said that "the godfather" made him a gift of the 200 Uzi 9-mm machineguns and 30,000 rounds of ammunition for the weapons.

Hernandez Galicia was arrested last Tuesday at his home in Madero, Tamaulipas State, after a firefight between his bodyguards and Army soldiers.

That same day, "La Quina" and 45 of his followers were transferred to Mexico City and detained by the Attorney General's Office. They were transferred Wednesday night under strict security measures to a penitentiary west of Mexico City.

"La Quina" has been charged with storing, possessing, and importing illegal weapons into Mexico; homicide; and other crimes.

Pemex Activities 'Normal'

PA1501124989 Mexico City XHTV Television in Spanish 0200 GMT 14 Jan 89

[Text] Pemex's office of public relations management has issued a communique on the current situation at that state-subsidized institution. The document explains that as a result of technical and administrative workers' efforts, the industry's various activities are normal.

The document states that crude production at sea and land wells is normal. As of 14 January, the average daily production of crude has been 2.529 million barrels a day, 4,000 barrels a day more than the expected 2.525 million barrels.

At present 3.493 million cubic feet of gas are being extracted daily, and Pemex reports that its industrial transformation installations are refining 1.3 million barrels daily, 100,000 barrels more than initially expected.

28 Union Workers Post Bail

PA1501140689 Madrid EFE in Spanish 2216 GMT 14 Jan 89

[Excerpt] Mexico City, 14 Jan (EFE)--Judge Jose Luis Garcia released on bail today 28 of the 46 persons involved in the case of the Mexican Petroleum (Pemex) leader Joaquin Hernandez Galicia, alias "La Quina." [passage omitted]

Melendez Assumes Union Lead

PA1701034089 Mexico City XHTV Television in Spanish 0233 GMT 17 Jan 89

[Report by Rodolfo Medina]

[Text] Jose Melendez Maranto today assumed the post of acting secretary general of the Mexican Oil Workers Union, according to the labor union's spokesman Francisco Arriola. Melendez Maranto revealed the news to some branch leaders during a private meeting that was guarded by the labor union's security personnel.

Francisco Arriola said Melendez has notified the Labor Secretariat about his decision to assume the general secretariat according to the labor union's statutes.

Labor Secretary Arsenio Farell last week rejected the appointment of Ricardo Camero, who had been elected in a plenum that did not meet legal requirements.

Jose Melendez was, until today, interior secretary of the Mexican Oil Workers Union. Mr Arriola reported that a national meeting will be held in 30 days to elect the new secretary general of the Mexican Oil Workers Union.

1988 Crude Oil Losses Listed at $1 Billion

PA1301050189 Mexico City EL DIA in Spanish 9 Jan 89 p 9

[Summary] Mexico lost almost $1 billion in 1988 as a result of a drop in international market prices for the crude oil Mexico exports to Europe, the Far East, and the United States. It was estimated that Mexico would receive $7.182 billion in 1988, but in fact only received $6.191 billion. Mexico exported 492.750 million barrels of various types of oil in 1988. The price for our oil on the foreign market was set at $10 per barrel in 1988.

Costa Rica

Arias Plans To Question Castro in Caracas

PA1201170689 San Jose Radio Reloj in Spanish 0100 GMT 12 Jan 89

[Text] President Oscar Arias will demand that Cuban dictator Fidel Castro match his words with deeds if he meets Castro in Caracas in early February.

If he tells me, on one hand, that he agrees with the effort we are making to achieve peace under the Guatemala agreement, and acts as the leading adviser of the Sandinist government and regime on the other, he will be showing a tremendous intransigence by refusing to make progress with democratization. I assume a lack of clarity on his part, because Fidel Castro is not matching his words with deeds.

Arias said that in El Salvador's case, Castro says he agrees with the peace plan but then supports the position of the FMLN, whose members are his pupils. There is a real contradiction here that we must clarify.

Arias recalled that Castro said a few days ago that he is convinced that the principles of Marxism-Leninism are alive today and that he will not renounce what he calls internationalism—solidarity with the revolutionary forces struggling for power through military action. All this contradicts the peace plan. Therefore, Arias feels these matters must be cleared up with Castro if both meet. His talk with Castro in Quito last year was not finished.

Possible Castro-Arias Meet

PA1601191989 Panama City ACAN in Spanish 1535 GMT 16 Jan 89

[Excerpts] San Jose, 16 Jan (ACAN - EFE)—The Cuban Government is negotiating a meeting between Costa Rican President Oscar Arias and his Cuban counterpart, Fidel Castro, in Caracas, where they will be attending the inauguration of Venezuelan President-elect Carlos Andres Perez.

Information Minister Guido Fernandez confirmed today to ACAN-EFE that a Castro representative met last week with Arias to work out the details about a possible meeting in which the two leaders will reportedly analyze the Central American situation.

Although the Cuban representative and the Costa Rican president discussed several dates, no specific date was set for the possible meeting, because President Arias' trip to Venezuela is pending approval of the Costa Rican Legislative Assembly. [passage omitted]

Arias demanded last week that Fidel Castro "give evidence" of his support for the peace plan signed in August 1987, adding that he is more convinced every day that unless the Cuban leader "has some unity of action between what he says and what he does in Central America, it will be very difficult to achieve peace in that region."

Arias pointed out that "if on the one hand Fidel Castro says he agrees with the efforts we are making to achieve peace, and then on the other hand, he is the main adviser of the Sandinist government, which has been extremely stubborn in not wanting to advance toward democratization, I then assume Fidel Castro is not being very straight forward."

The Costa Rican and Cuban presidents met for the first time in Quito last August, when they both attended the inauguration of Ecuadoran President Rodrigo Borja.

On that occasion, Arias demanded from Castro—whom he attributes great influence over the guerrilla movements of Guatemala and of El Salvador—greater support for the Central American peace process.

Number of Nicaraguan Refugees Down Since Nov

PA1201191089 San Jose LA REPUBLICA in Spanish 6 Jan 89 p 2

[Unattributed report: "Refugee Entries Have Declined"]

[Text] According to a Security Council report, the number of refugees entering the country has dropped drastically from 2,300 in November to 8 so far this month, which is one of the positive results of the joint agreements between Costa Rican and Nicaraguan authorities.

A Security Council communique, issued in response to statements from various media sources regarding the patrolling of border areas, states that the lowered number of refugees is an achievement.

The illegal entry of Nicaraguans, which was one of the issues brought out by local authorities at the meeting on 24 November in San Juan del Sur, Nicaragua, has been decreasing.

According to the information supplied in the communique, a total of 2,300 refugees entered Costa Rica in November 1988; this figure dropped to only 220 cases the following month.

So far in January 1989, only eight refugees have entered the country, thus leading authorities to the conclusion that the number of refugees entering the country this year will be low.

The Security Council also pointed out that more than 300 undocumented people and 14 convicts who escaped from the Bluefields Jail during Hurricane Joan were repatriated, and it has been confirmed that police in various areas are searching for approximately 10 fugitives who will suffer the same fate.

In the communique, the Security Council stated that the 5 December landing of two EPS MI-27 helicopters was a mistake. They said that upon request of national authorities, the helicopters promptly left Costa Rican territory. The Security Council concluded that Costa Rican territory was not violated, because the joint patrols do not preclude the entry of foreign troops.

The Security Council reiterated its support for the constitutional regime and the nation's laws, saying it will continue to be on its guard to prevent illegal entries and ensure immediate repatriations in such cases.

The agreements made at the bipartite meeting in November and at subsequent meetings in December and January are considered beneficial for both Costa Rica and Nicaragua, because they involve the control of contraband, drugs, cattle rustling, as well as the return of undocumented individuals and the prevention of illegal entries.

Inflation Reaches 26.33 Percent by End of 1988

PA1201153089 San Jose LA REPUBLICA in Spanish 5 Jan 89 p 2

[Summary] According to the Statistics and Census Office, inflation at the end of 1988 reached 26.33 percent, about 10 percent higher than that of 1987 and the highest since 1983. The consumer price index reached 5.83 percent in December alone, nearly 4 percent higher than that of November. About 2 months ago, Economy Minister Antonio Burgues and Finance Minister Fernando Naranjo said weather problems, public expenditures, the foreign debt refinancing program, and efforts to increase the liquidity of the economy during the past year were some of the factors that increased inflation.

El Salvador

Duarte To Arrive in U.S. 17 Jan for Treatment

PA1701012289 Madrid EFE in Spanish 0051 GMT 17 Jan 89

[Text] Washington, 16 Jan (EFE)—Salvadoran President Napoleon Duarte will arrive in Washington Tuesday to undergo another chemotherapy treatment to fight his terminal liver cancer, a cancer discovered 7 months ago.

Mauricio Granillo, Salvadoran ambassador to the OAS, told EFE that "Duarte is scheduled to arrive tomorrow afternoon. The president will be admitted directly to Walter Reed Medical Center, where he will undergo treatment."

Duarte, who is 63 years old, was operated on for stomach cancer at Walter Reed Medical Center in June, at which time the doctors diagnosed terminal liver cancer.

Since then, Duarte has received several chemotherapy treatments in the United States and El Salvador, and has shown "remarkable improvement," his doctors contend. Granillo said today that "of the seven ulcerations that Duarte had on his liver, one has disappeared and the sizes of the other six have been considerably reduced."

The ambassador said Duarte has continued "some minor treatment" in San Salvador, but the current treatment "needs the supervision" of U.S. doctors.

On 28 December, oncologist John Reman said, after examining Duarte, that he had never seen a case with an improvement like that of the Salvadoran president.

Duarte will remain in the hospital for 7 days, Granillo noted.

CD's Zamora on U.S. Intervention, Bush

PA1501220489 San Salvador Radio Cadena Sonora in Spanish 1600 GMT 13 Jan 89

[Interview with Ruben Zamora of the Democratic Convergence [CD] by unidentified reporter; date and place not given—recorded]

[Excerpt] [Passage omitted] [Reporter] Spokesmen of the new U.S. Administration, [word indistinct] in Central American affairs and other U.S. Government officials have said that they will accept the election results and will only demand respect for human rights in this country. Do you think that Bush will follow Reagan's policy?

[Zamora] There will be some continuity between Reagan and Bush, as they are both Republicans and have the same concept of the world. However, things cannot continue as they are, for two main reasons:

First, because it is already evident that Reagan's policy toward Central

America is [6-second break in reception] ...$4 billion, and the crisis is even worse now. With that in mind, the Central American situation is forcing the new U.S. Administration—the Bush administration—to review its policy.

The second factor, which is very important, is that during the past 3 years the international situation has substantially changed. While at the beginning of the 1980's the confrontation between the United States and the USSR was the determining factor, we have entered a new era of detente in which we seek solutions through negotiations. Many steps have been taken in that direction: the Angolan conflict is being resolved through negotiations, as are the Afghan and Kampuchean conflicts, through the withdrawal of troops. In the Middle East, the PLO has issued a declaration recognizing the State of Israel, and the United States began talks with the PLO. The war between Iran and Iraq is also being resolved through negotiations. In other words, the entire world is trying to find solutions to local conflicts through negotiations. I think that here in El Salvador—if we want

to spare ourselves the shame of being the only ones shooting at each other—we should begin to think seriously about a political solution to our problem.

[Reporter] In the international field, what do you think about Costa Rican President Oscar Arias' proposal to postpone the Central American summit, and also his call to Fidel Castro to get his hands off of the region?

[Zamora] It is regrettable. This presidential summit has been bounced from month to month, and I think that Esquipulas II loses credibility with each postponement. Postponing the meeting now, only to wait until Bush takes office is a sad demonstration of the dependent and subordinate state of our countries and rulers to the United States. The Central American problem must be resolved among Central Americans. Therefore, we regret the current situation because the summit's credibility is being destroyed. What does this mean? That they will meet in February after Bush takes office; and what does this mean? That the meeting is under Bush's influence. However, the main purpose behind Esquipulas II was for Central America to resolve the conflict itself by telling the United States: Please, do not meddle in Central American affairs.

[Reporter] You may recall, doctor, that President Arias and Guatemala were opposed to having a war in Central America. Why are Cerezo and Arias so submissive now?

[Zamora] On this particular point I cannot place Cerezo and Arias in the same category because Cerezo insisted on holding the meeting. He even adopted a somewhat harsh position as the acting president did. As for President Arias, his position has come as a surprise to me, especially since he created Esquipulas II. It seems to me that he has tarnished his Nobel Prize with this attitude. My personal assessment is that Arias thought the democrats would win the election, and that with Dukakis as president he would have ample space to promote the peace process. He is now faced with the fact that Dukakis did not win and there is a Republican administration, and with practically 1 year left, he must attend to a series of domestic economic problems. It seems to me that Oscar Arias is withdrawing his leadership from the Central American peace process. This, unfortunately, is my assessment of the situation. I hope I am wrong.

[Reporter] To conclude, Dr Zamora, I must ask you the same question, or almost the same question. [as heard] The Democratic Convergence says that the only way to overcome the state of war is through dialogue and negotiation, and it speaks of a political proposal. What steps are involved in this proposal?

[Zamora] We are proposing a political solution for achieving peace. We are proposing a 3-phase solution: the first phase is the fulfillment of Esquipulas II and it is the preparatory phase in which we adopt measures leading to negotiation. These measures would be primarily for El Salvador. El Salvador should become truly neutral in the Central American conflict; a human rights attorneyship should be created so that progress can be made in that field; the foreign military advisers should be withdrawn to allow Salvadorans to make their own decisions; and the armed conflict should be reduced in scale gradually suspending the use of mines, economic sabotage, Air Force bombings, and long-range artillery. There should be a moratorium on weapons. In other words, we should agree on a period of 6 months, which could be extended, during which—under international supervision—no weapons would enter this country. These measures would bring us to the second phase: real and (?serious) negotiations.

Some of us believe that the nation's most representative forces must participate in the negotiations. These forces are, in my opinion, the government and Armed Forces, the FDR-FMLN, the private sector, and the labor unions. How would this be organized? It should be organized in three negotiations so that three basic agreements can be reached: a military agreement to obtain a cease-fire and a peace-oriented Army in El Salvador, which would obviously be between the government, Army, and FMLN. A political agreement to decide the basic rules of the political game that would allow each party to respect each other and, of course, the electoral process; the political parties, government, and FDR-FMLN would participate in this agreement. The third agreement would be economic and social, and it would determine the basic rules between the labor and private sectors, between labor and management, and it would be the starting point of our economic recovery; the private sector, labor unions, government, and FMLN-FDR would obviously participate in this agreement.

With the foundation of these three agreements we would enter the third phase, which consists of consulting with the people. The people must be asked if they support the agreements or not. Were the people to express dissent with any of the points established in the second phase, we would refer that disagreement to the people and they would make the final decision. This proposal allows everyone to participate and it is a profoundly democratic proposal to overcome the state of war. This is our proposal.

Wounded U.S. Citizen Allegedly Aiding Rebels

PA1301142189 Panama City ACAN in Spanish 2211 GMT 12 Jan 89

[Text] San Salvador, 12 Jan (ACAN-EFE) — Colonel Eladio Canjura, commander of the Salvadoran Armed Forces Engineers Training Center, has charged two foreigners with convincing peasants to help guerrillas. The foreigners were wounded on Tuesday when a grenade exploded at a resettlement camp.

U.S. citizen Deborah Cohen and Canadian Evan Fox, who are working at the Panchimilama resettlement camp, 46 km south of San Salvador, were wounded by a grenade. According to humanitarian group sources, the grenade was launched by Army soldiers.

Canjura denied that the Army is responsible for launching the grenade, which also killed a peasant and wounded three others.

The military man told ACAN-EFE: "For a long time I have been having discussions with foreigners who are convincing peasants to help the terrorist criminals."

Canjura said he has evidence that thanks to the foreigners mediation, the guerrillas "arrive at the Panchimilama resettlement camp to rest, give birth to their children, and recover from wounds, as is occurring in the other displaced persons' communities in El Salvador."

Canjura ordered an investigation into the incident today. It is assumed the peasants were wounded when they stepped on a mine in another place, "because there is no evidence of any explosion inside the displaced persons' community."

Upon recovering, the foreigners will be summoned by the military team investigating this incident, which opposition humanitarian ogranizations and Panchimilama residents have blamed on the Armed Forces. The foreigners may be expelled later, Canjura said.

Cohen and Fox are in "stable condition" after receiving shrapnel wounds in various parts of their bodies, the British Embassy Consul in San Salvador, Peter Evans, told ACAN-EFE.

Panchimilama houses some 400 displaced persons from El Salvador's war-torn areas and was founded on 31 January 1987 by the National Resettlement Coordinating Board (CNR); it is funded by the Lutheran Church.

A third foreigner, arrested by the Army in eastern Usulutan Department 2 days ago, was released today after being charged at Treasury Police quarters with "violating Salvadoran law."

New York University Professor John Hammond and Celia Medrano, member of the Nongovernment Human Rights Commission, were arrested by Army soldiers on 10 January in eastern Usulutan Department.

Human Rights Commission spokesman Joaquin Caceres told ACAN-EFE that Hammond, a 46-year-old sociologist, arrived in the country on 28 December to "see firsthand" the human rights situation in the country. As a result, he traveled with Medrano to Usulutan villages, from where they had received reports on bombings, arrests, and military attacks against the displaced persons.

A military spokesman said, "Hammond has already been released and will be allowed to remain in the country provided he does not violate legal and military statutes."

Hammond traveled to Usulutan without requesting safeconduct, a document required by the Armed Forces to travel in the countryside and war-torn areas.

Duarte Claims Legislative Decree Unconstitutional
PA1601213189 San Salvador LA PRENSA GRAFICA in Spanish 14 Jan 89 p 5

[Text] President Jose Napoleon Duarte yesterday asked the Constitutional Court of the Supreme Court of Justice to warn the Legislative Assembly that the publication of amendments to the Electoral Code by that body is unconstitutional.

It was announced that President Duarte sent the appeal to the secretariat of the Constitutional Court at 1100 yesterday through a presidential emissary.

In his appeal, President Duarte says the publication of Decree 132 with amendments to the Electoral Code ordered by the Legislative Assembly is unconstitutional.

The Legislative Assembly ordered the publication of the decree after the Constitutional Court ruled on the controversy between the Legislative and Executive Branches over those amendments to the Electoral Code.

Since the Executive Branch refused to publish the decree, the Legislative Assembly ordered it to be published in the major Salvadoran newspapers, based on Article 139 of the Constitution.

Now, in view of the Legislative Assembly's position, the president has again argued that the Legislative Assembly acted unconstitutionally "because it must comply with the Supreme Court of Justice's ruling on the controversy between the two branches of government over the constitutionality of Decree No 132 of 11 November 1988, which amends the Electoral Code."

Further in the document, Duarte asked the Honorable Supreme Court of Justice to warn the Legislative Branch that "it should suspend Articles 33 and 40 of the same decree and that in compliance with Article 134 of the Constitution, it must submit the necessary documents in order to continue the law-making process permitting the Executive Branch to approve and publish the decree within the period established by the Constitution, which will begin on the date the modified decree and the documents stipulated by the law are sent to the Presidency of the Republic."

According to legal experts, the Legislative Assembly must issue a new decree with all the articles of Decree 132 that have not been ruled unconstitutional by the Constitutional Court. This court ruled that Articles 33 and 40 violated the Constitution's fundamental principles.

It was officially reported that the appeal sent by the Executive Branch has been acknowledged by the court. It will be studied and the court will issue its decision based on the Constitution and the Constitutional Procedures Law.

Duarte Says ARENA Promoting Confrontation
PA1301155189 San Salvador Canal Doce Television in Spanish 0300 GMT 12 Jan 89

[Report by Mauricio Funes]

[Excerpt] President Jose Napoleon Duarte this morning accused the ARENA [National Republican Alliance] party of taking advantage of its control over the Legislative Assembly to create obstacles for the Executive Branch and to create a situation Duarte called electoral terrorism.

[Begin Duarte recording] They are fostering a situation of permanent confrontation between the Legislative and Executive Branches. This permanent confrontation is meant to create something I call electoral terrorism. [end recording]

Duarte said ARENA seeks to harass the Executive Branch by taking advantage of its control over the Legislative Assembly. According to President Duarte, ARENA is playing rough with the purpose of creating an institutional crisis that can justify absolute control over all government bodies.

[Begin Duarte recording] They are fostering a confrontation between the Legislative and Executive Branches to create an institutional crisis. They believe an institutional crisis is the road to the electoral process. They believe this is the only way to gain control over the Executive, Legislative, and Judicial Branches; the Attorney General's Office; and the public. They want all this power in the hands of a single group. That is what they want. Journalists must therefore understand that ARENA is seeking confrontation in the Assembly to harass the Executive Branch and to show that ARENA has the power to paralyze the country.

You should realize that the Legislative Branch has not yet approved the nation's budget. I can see another problem there. Yesterday we approved—because the Constitution allows it—the the payment of wages up to one-twelfth of last year's budget. We made this decision yesterday. However, what will happen when this expires? There will be no way to pay public employees. Could you imagine the situation if these gentlemen create a crisis and public employees are not paid? They will take to the streets, and it will not be 25 or 30 people milling in the streets every day. It will be thousands of people demanding their wages. In addition, there will be 60,000 soldiers without paychecks. [end recording]

The problem is serious for Duarte, especially on the eve of the presidential elections. Duarte described as unusual the procedures the Legislative Branch is following to make its views prevail on the electoral code reforms. According to the president, the Executive Branch has nothing more to do in the electoral reforms process. Now it is up to the electoral authorities to decide whether the reforms submitted by the Assembly will control the elections. [passage omitted]

FMLN Inflicts 9 Casualties on Army on 8,9 Jan
PA1301214389 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 11 Jan 89

[Text] We will now summarize the subregional maneuver carried out in the eastern portion of El Salvador by FMLN forces. The maneuver took place on 8 and 9 January and encompassed villages and cities in San Miguel, Morazan, and La Union Departments. [Words indistinct] in San Miguel and Ciudad Barrios [words indistinct] in San Miguel Department, in Santa Rosa de Lima and Nueva Esparta, in La Union Department, in San Simon, [word indistinct], Guatajiagua, and Osicala here in Morazan Department.

In addition to attacking military positions in these cities, our forces took over various portions of the highway and carried out important sabotage and propaganda activities. A total of nine casualties were inflicted on the Army in this subregional maneuver, which was entitled "The people prepare for the insurrection."

The casualties included a lieutenant, a technician [words indistinct] sergeant. It is also important to note the general attitude of the troops who were attacked. They evaded the clash, thus heeding the FMLN's warning not to fight against the people's fighters.

The maneuver also involved actions by urban commando units in the city of San Miguel, an attack on positions at the (Aguasarda) cooperative—only 30 minutes from the 3d Infantry Brigade in San Miguel—and an attack on Ciudad Barrios, San Miguel Department.

Reports Army Casualties

PA1301233989 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 12 January carries approximately 14 minutes of battle reports.

Relaying reports from Chalatenango Department, the station announces "on 10 January, enemy troops of the Atlacatl Battalion walked into a minefield at 0840 in Cerro Verde, La Laguna jurisdiction, Chalatenango, and sustained one casualty." The same day, FMLN forces fought with a company from the Atlacatl Battalion at Las Cuevitas Canton for 45 minutes and the enemy sustained two casualties, the station adds. The same day, guerrilla forces ambushed an advance party of a 4th Brigade company in San Francisco Morazan jurisdiction, "wounding two enemy soldiers." In addition, according to the radio, a guerrilla contingent fired rifles at another 4th Brigade company while en route to Plan de la Mora, San Francisco Morazan jurisdiction. "We inflicted three casualties on the enemy during this

attack," it says. At 1530 the same day, guerrilla forces attacked at Plan de la Mora and Isotaiilo. "We inflicted a total of nine, we repeat, nine casualties on the enemy."

Still reporting from Chalatenango, the station says FMLN forces engaged enemy troops at Plan Grande, La Laguna jurisdiction.

In a report from the Modesto Ramirez Front, the station says that an FMLN unit took control of Jutiapa, in Cabanas, for 1 hour, holding a rally and distributing propaganda there. "The same day, guerrilla forces and clandestine militias blew up five electric towers" carrying power lines from the Cerron Grande hydroelectric plant to areas in Aguacate Canton. On 10 January, guerrilla forces assaulted a National Guard position in Tejutepeque, Cabanas, inflicting six casualties. "No problems were reported on our side," it says.

Finally, the station reports that on 10 January FMLN guerrillas engaged soldiers from Military Detachment No 5 in heavy fighting in Calle Nueva, Cuscatlan Department, inflicting two casualties. The same day, guerrillas mined areas in the path of troops from Military Detachment No 5 in the jurisdiction of Suchitoto, Cuscatlan, inflicting two casualties on the enemy. "A grand total of 10 casualties was inflicted on the enemy in the fighting between 9-10 January during the fighting in the Paracentral area."

Airs 11-12 Jan Reports

PA1401223789 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 13 January broadcasts several battle reports.

The station begins by saying that "rebel forces surrounded two companies of the 4th Infantry Brigade's Cobra Battalion on 12 January at El Portillo, Santa Fe, and Loma La Mora, San Francisco Morazan jurisdiction, Chalatenango Department. FMLN forces attacked the battalion from several directions with heavy artillery fire. Two dead and five wounded have been reported so far. The siege is said to be getting tighter, therefore this enemy force could soon suffer heavy casualties."

The station continues: "This is a report on urban commando actions in El Salvador. Guerrillas blew up an electric tower in San Sebastian, Ciudad Delgado, at 1830 on 11 January. Other guerrillas clashed with enemy soldiers in San Jose, Soyapango, at 2030. The number of casualties inflicted on the enemy has not been reported."

Returning to the fighting in Chalatenango, the station says "at least two of the enemies have been killed and two wounded."

Turning to another area, the station says: "This is a report on sabotage actions in the Francisco Sanchez Southeastern Front, in the Chaparrastique volcano area, San Miguel Department. Guerrillas damaged an electric tower and a transformer in San Rafael Oriente at 1945 on 10 January. Two other transformers and a tower were damaged at Los Urieles, San Rafael Oriente, San Miguel Department, at 2000 on 11 January."

Finally, the station reports, "in the Modesto Ramirez Paracentral Front, guerrillas blew up three towers carrying the Cerron Grande high tension lines."

Reports 12-13 Jan Clashes

PA1501185489 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 14 January broadcasts 8 minutes of military reports including reports on a guerrilla operation in Chalatenango Department and other clashes with various Army troops.

The first report coming from the Modesto Ramirez Front says that within the framework of the "Chalatenango Workers, Take Up the Weapons To Take Over Power" military operation, FMLN guerrillas "conducted a successful operation against two Cobra Battalion companies of the 4th Infantry Brigade near Loma La Mora, San Francisco Morazan Jurisdiction, Chalatenango Department, at 1730 on 12 January." The report adds that the guerrilla manuever was carried out with M-16 machineguns, grenades, and rifle fire. The report says that as a result of the guerrilla attack, 16 soldiers were wounded and 5 killed. The report concludes regretting the "heroic death in combat of Comrade Miguel, who was an FMLN guerrilla combatant."

The second and last report states that FMLN guerrilla units attacked enemy troops in San Francisco Javier Jurisdiction, Usulutan Department, at 1600 on 12 January, wounding 11 soldiers.

The same report adds that FMLN units attacked the 4th Company of the Lempa Battalion in San Agustin Jurisdiction, Usulutan Department, on 13 January, killing one soldier and wounding another.

The report concludes saying that FMLN units clashed with Military Detachment No 4 troops at Los Sanchez Hamlet, Ciudad Barrios Jurisdiction, Morazan Department, at 1500 on 13 January. "After 15 minutes of combat, the enemy fled in complete disarray, leaving behind one rocket, one LAW rocket launcher, and two M-79 grenades, which our comrades seized." The report says the number of Army casualties is still unknown.

Coprefa on 9-13 Jan Actions

PA1601143789 San Salvador Radio Cadena YSU in Spanish 1800 GMT 14 Jan 89

[Coprefa report]

[Text] The following is the most important news for this week issued by Coprefa: 21 terrorists were killed and 21 wounded during clashes with Army units between 9 and

13 January, according to the Armed Forces Joint Staff. Also, 11 rifles of various calibers, a large amount of ammunition, 115 explosive traps, 12 fragmentation grenades, and material to make explosives were seized.

During the same period, the terrorists killed five peasants for refusing to collaborate with clandestine FMLN groups and kidnapped 40 people to incorporate them into extremist organizations. The subvervives also caused four civilian casualties because of their criminal and inhumane strategy of planting mines in the various agricultural areas of the country.

The report states that the FMLN-FDR heavily damaged six houses with explosive devices and sabotaged three collective transportation buses, nine civilian vehicles, and two Salvadoran National Railroad trains in different towns in the country.

Meanwhile, the Armed Forces discovered plots involving terrorist and mass actions. The various FMLN-FDR front organizations and labor groups have been planning to arouse the masses and carry out terrorist actions in El Salvador to call for national insurrection and work stoppages and to protest presidential elections scheduled for March this year. A military intelligence report states that such actions will be carried out in the next few days and involve, among others, the National Union of Salvadoran Workers; the Bread, Land, Work, and Liberty Movement; and National University students.

The report adds that according to military analyses, these groups, which are considered to be riot squads, aim to tarnish and block, as much as possible, the electoral process, to break the current democratic status enjoyed by our country and to destabilize the government.

The documents seized by the Army contain FMLN-FDR instructions for their front organizations, including making false statements regarding human rights violations by the Armed Forces in its recruitment activities and military security duties near the National University.

The Armed Forces reaffirm to the Salvadoran people their unyielding determination to continue defending national sovereingty, maintaining public order, and guaranteeing the security of all inhabitants to strengthen democracy and pave the way to peace.

The FMLN-FDR terrorist attacks this week: In San Miguel, FMLN terrorists planted a car bomb and six explosive devices in various points of the city. According to reports, the car bomb exploded at the Chevron gas station on a highway leading to La Union by the San Miguel exit. The gas station was completely destroyed. Its owner, Victor Castillo, estimated damage at several thousand colons.

In this action, a terrorist identified as Miguel Angel Cruz was killed when activating the vehicle loaded with explosives. An identification card found on his body identified him as an Eastern University Center student. Another subversive was killed when a bomb he was trying to plant at the Evangelical School in that same city exploded on him. The school suffered structural damage. The other explosive devices destroyed several stores. Police officer Ismael Avalos Alfaro was killed heroically while trying to defuse one of the bombs.

Ms Marta Julia Asencio was wounded by an explosive device that FMLN-FDR terrorists hurled at a house in Las Cumbres neighborhood, old Cuscatlan. The rebels also used explosives against two houses in (Ciudad Berriot). The three houses are owned by Armed Forces officers.

Colonel Rene Emilio Ponce, chairman of the Joint Chiefs of Staff, vigorously condemned this new criminal FMLN-FDR strategy that is already claiming casualties among civilians.

Meanwhile, in the country's northern area, 33 civilians were kidnapped by FMLN-FDR terrorist criminals in Chalatenango Department. According to the 4th Infantry Brigade, the kidnapped men and women were violently taken out from their houses in Llano Grande, Concepcion Quezaltepeque Jurisdiction, and Agua Caliente Canton, Chalatenango Department. They kidnapped seven other civilians in other areas of the country. Thus, the FMLN-FDR is increasing the number of human rights violations.

FMLN Threats Force Nine Judges To Resign

PA1501185289 San Salvador Canal Doce Television in Spanish 0300 GMT 14 Jan 89

[Report by Marco Antonio Guevara]

[Text] According to reports from the secretariat of the Supreme Court of Justice, the number of justices of peace who have tendered their resignations because of FMLN threats has now increased to nine. Francisco Interiano, justice of the peace in Oratorio de Concepcion, Cuscatlan Department, appeared at the court on Friday to present his resignation. He said he felt forced to obey the demand despite not understanding why it was made or what the guerrillas are after.

[Begin recording] [Interiano] Since the resignation did not occur within the alloted time limit, it is now a matter of making this resignation public. The guerrillas, in the same way they had established a 72-hour deadline to make this resignation public, also gave a 72-hour deadline to carry out their threats. If anyone refuses to obey them, that person knows what to expect.

I do regret that the people will now be deprived of the services of a judge. The truth is that a judge is not a member of a military institution; he is only a public servant. I do not see any sense in taking such measures against a judge.

More importantly, we feel neglected. We have not observed any human rights organizations or the media or anybody condemning these threats against judges or condemning how the guerrillas apply their own laws in making justice. We are neglected. We are also citizens—human beings—just as mayors are. We should receive as much attention as the mayors have.

[Unidentified speaker] The judges who have tendered their resignations are: Juan Francisco Parada, justice of the peace in Nueva Granada, Usulutan Department; Julio Quesada Rogel, justice of the peace in Tapalhuaca, La Paz Department; Nicolas Melendez Melendez, justice of the peace in San Ildefonso, San Vicente Department; Carmen Hilaria Estensero de Morales, justice of the peace in Ereguayquin, Usulutan Department; Francisco Julio Avalo, first justice of the peace in Metapan, Santa Ana Department; and Adelso Calderon Osorio, second justice of the peace in Metapan, Santa Ana Department. That is all. [as heard] [end recording]

The threats against the justices of the peace add a new obstacle to the already troublesome application of justice in El Salvador. Emergency measures will certainly have to be taken to alleviate this crisis, which has gone beyond the municipalities to affect the judicial system.

Bombs Explode at University Officials' Homes
PA1401044989 San Salvador Canal Doce Television in Spanish 0303 GMT 14 Jan 89

[Report by Ernesto Rivas]

[Excerpts] Three bombs exploded early this morning at several university professors' homes, causing considerable damage but no casualties. The bombs exploded at the homes of the dean and assistant dean of the Faculty of Sciences and Humanities at the University of El Salvador. The third one exploded at the residence of a private university professor.

At a news conference, the dean and assistant dean blamed the Salvadoran Government and Armed Forces for the attacks on their houses early this morning. They said the bomb attacks and the military cordon—placed around the campus during the last week of December and lifted yesterday evening—are part of a campaign against the university because similar attacks have been perpetrated against the Faculty of Biology and the Eastern University Center. [passage omitted]

The two attacks occurred after midnight; one attack occurred at the home of Mrs Catalina de Merino, located in the Northern University Housing Area, and the other at the home of Mrs Oralia de Riva in Las Palmeras Avenue, Sultana neighborhood. [passage omitted]

It was also reported that ARDE [Revolutionary Anti-Communist Extermination Action] has threatened university authorities, including Mario Cabrera, chief administrator of the university. He has been given 72 hours to leave the country.

Dr Jose Dagoberto Gonzalez' house in the Costa Rica neighborhood in the southern part of the capital was partially destroyed. [passage omitted]

MAC Names Rey Prendes Presidential Candidate
PA1301142389 Panama City ACAN in Spanish 0021 GMT 13 Jan 89

[Text] San Salvador, 12 Jan (ACAN-EFE)—It was reported today in San Salvador that the Salvadoran Authentic Christian Movement (MAC), a dissident faction of the ruling Christian Democratic Party [PDC], has named Julio Rey Prendes and Alfonso Salaverria Lagos as its nominees for president and vice president, respectively.

MAC, created in late 1987 after a group of PDC members withdrew from the PDC, concluded its special general assembly yesterday by electing Rey Prendes and Salaverria as candidates for the presidency and vice presidency, respectively.

With the appointment of the two candidates, speculation that MAC would form a coalition with the Popular Union, composed of three minority rightist parties, has been disproven.

In accepting the nomination, Rey Prendes said "MAC will play an important role" in the 19 March presidential elections, in which 2 million Salvadorans will elect a replacement for PDC President Jose Napoleon Duarte.

Rey Prendes, who along with Duarte founded the Salvadoran PDC in the 1960's, was first appointed as the PDC presidential candidate, but a second internal election decided that Fidel Chavez Mena would be the official PDC candidate.

After that change, Rey Prendes, along with other PDC leaders, including approximately 15 deputies, withdrew from the party and created MAC by joining the minority Centrist Republican Movement.

According to opinion polls conducted 2 months before the election, Salvadorans' political preferences are as follows: first, the rightist Nationalist Republican Alliance (ARENA); second, the PDC; and third, the Democratic Convergence, a leftist coalition that is participating in presidential elections for the first time in 10 years.

Guatemala

Cerezo Delivers State-of-the-Nation Speech

PA1601234789 Guatemala City Domestic Service in Spanish 1645 GMT 14 Jan 89

["State-of-the-Nation" address by President Vinicio Cerezo at the National Congress in Guatemala City—live]

[Excerpts] [Passage omitted] Our international policy is based on the belief that Guatemala cannot be an island of peace, democracy, and stability in a conflictive region. For this reason, we have developed a foreign policy that has three main objectives: to create rules for peaceful coexistence with our neighbors; to establish the permanent and institutional mechanisms required for the pursuit of dialogue and peace; and to create a willingness in the international community to give us economic aid to boost development that is geared toward our interests and needs.

During the past three years, and in accordance with our foreign policy, we have promoted the following concepts: the Esquipulas II plan that was later broadened and developed by the Arias plan; our proposal for the Central American parliament; and our contribution to the UN's and EEC's Economic Assistance Plan.

We are happy to report that these concepts have advanced a great deal during 1988, especially the Central American parliament plan, which has already been approved by four countries. The Costa Rican Legislative Assembly is expected to approve the plan early in 1989. The concept of a Central American parliament has been enthusiastically supported by the EEC and the European Parliament. They decided to give a substantial contribution for the elections required to set up the system and for the construction of the Central American parliament building—a building that will be called Villa Esquipulas.

We hope that at the forthcoming meeting of the regional presidents we can agree on concrete steps to further our search for peace, to establish an economic assistance program that would contribute to regional development, and to initiate a new Central American market with a broader perspective that will promote increased social and political integration. All these are steps that will bring us closer to attaining a dream—a dream of making Central America a great community that serves the interests of Central Americans.

As part of our good-neighbor policy, we have been strengthening our relations with Mexico, our northern neighbor, and getting closer to Belize. These actions have been based on the new concept of peace, because we want to have good relations with persons living in other communities.

The international community's response to our actions has been positive, supportive, and concrete. We have received a large amount of economic support from friendly governments, especially the FRG, Italy, United States, Mexico, Venezuela, Japan, Spain, Republic of China, ROK, Belgium and Peru, just to mention a few.

I want to state here, to all those who have supported the Guatemalan democratic process with faith and certainty, that you may feel satisfied with the results that have been obtained. Your help has reached the communities and has aided in stabilizing the economy, allowing us to attain peace. [passage omitted]

In 1985, inflation was as high as 40 percent; now it has decreased to 10 percent. In spite of this, we admit there are some sectors of the population that have been more adversely affected by inflation. It is a cost we have had to pay because of the process of economic reorganization and because income has not increased at the same rate [as inflation].

That is why in 1988 we promoted a series of specific measures aimed at reducing the impact of inflation on middle and lower income families. Many of these measures are the result of dialogues and meetings with various sectors. The measures are the product of a firm government attitude. In any case, we hope the measures adopted in 1988 will bring about real results in 1989.

Among these measures, we can mention agricultural fairs, low-income retail stores, government drug stores, low-cost school supplies, and the supplying of farming tools and equipment at fair and reasonable prices that can keep agriculture costs down.

It is important to note that the experience of 1988 shows the struggle against inflation and the high cost of living must be backed by an appropriate economic stabilization policy, necessary conditions for an increase in the production of goods and services, a flexible salary policy, and an agreement between consumers, producers, and the government. [passage omitted]

In matters of economic policy, we have had to make many difficult decisions to stabilize the country's economy. The people had to pay their share during a temporary increase in inflation, as we have already mentioned, but this sacrifice will be rewarded by economic stability, the effects of which are more important for the population. They are a decrease in unemployment of more than 7 percent, an increase in the wage scales because of competition for labor in the private sector, an increase in the public sector wage scale, a decrease of inflation in late 1988, and a general increase in the production of goods and services, which means an increase in the country's wealth and greater opportunities for all sectors of the Guatemalan population. This was seen in December and it can be proven in a series of statistics that clearly show the growth of our economy.

I wish to stress the fact that the country's GNP grew by more than 3.5 percent, which definitely makes us one of the two Latin American countries with a positive growth rate because our production exceeded the annual growth rate of the Guatemalan population. Each economic indicator we have reviewed has shown that we are expanding our production capacity, our consumption, and, in absolute terms, the size of our economy. At least three new banks and financial institutions have been set up in our country. Five new banks have requested authorization to operate in the country. The population increased its consumption capacity by 4 percent—in 1987 it only increased by 2.8 percent. Investment levels increased by 12.3 percent and we are pleased to state that private investment alone exceeded 2 billion quetzals. The public sector invested a reasonable 600 million quetzals. It is important to note that the increase in production has become evident in the private construction sector, but absolute figures show improvement in the production of basic grains, traditional exports, and especially, in the growth of nontraditional exports, which exceeded $169 million in net benefits for our balance of payments. [passage omitted]

We have achieved significant progress, especially in 1988, in all aspects pertaining to the institutionalization process of protecting rights established by the Constitution and the law.

However, we must admit that tragic criminal actions involving political extremist groups as well as groups operating outside the law shook the public throughout the year. All institutions and people concerned about human rights have agreed that repression and violence, as a form of governmental political expression, definitely disappeared from Guatemala. Nevertheless, they constantly pointed out to us that we must improve our control over those criminal groups which are not related to the government and which are threatening the people's security and making them uneasy.

With this goal in mind, we established the Civil Protection System, SIPROCI, to implement, through the coordination and direct supervision of the president of the Republic, a number of measures allowing us to control all forms of crime. The system started to bear fruit late last year. There were a great number of specific successes, including the arrest of criminals, prevention of thefts in urban areas, and curbing of drug trafficking.

We are sure that SIPROCI has satisfied many of the citizens' security demands, although in implementing measures we had to apologize for a number of mistakes in the interpretation of judicial procedures and the law. This forced us to slow the pace of the programs we had already approved.

We must try to coordinate efforts with judicial bodies to ensure that the measures we approve in the future will have the trust, support, and appropriate monitoring that an independent judicial organization, which is another achievement of our democracy, must have over the government's coercive measures to prevent any kind of abuses—to ensure that the protection of one right will not lead to the violation of another right.

We worked hard to create appropriate administrative instruments to allow us to handle reports of lost and missing people in the future, answer the questions that international human rights institutions might pose, and handle arrests and charges through the National Police to allow justice tribunals to fulfill their duties.

We are particularly interested in preventing crime and not persecuting criminals... [corrects himself] not only persecuting criminals. This is why we made great efforts to complete [2-second break in reception] bearing and possession of weapons allowing us to decrease the illegal bearing of weapons, decrease the failure to register them, establish ballistic files, and facilitate the authorization of permits allowing honest citizens to defend themselves if they need to.

This bill will be presented to Congress this month. Our purpose, as noted in a report of a multi-disciplinary commission that worked on this project, which was one of SIPROCI's tasks in 1988, is to eliminate those groups of people who are illegally possessing weapons and step up the state's ability to ensure the legal and appropriate use of weapons.

Therefore, 1988 was the year for the creation of the infrastructure needed to increase our ability to appropriately protect citizens. I want to note the efforts made by the national commission for refugess and the presidential advisory commission on human rights to continue integrating into our democratic society the thousands of people who had been left out in the country and abroad.

I wish to say a few words about the future. To admit that we are better off now does not imply that we are satisfied. We must accept our responsibility for some mistakes because of hasty decisions and difficulties in coordinating efforts that have been encountered on some occasions during the past 3 years.

However, we have not been heading the government for nothing. In pointing out with enthusiasm that to a great extent the nation has been successful under our political leadership, with profound sincerity we recognize the popular and business segments and the Guatemalan people at large for their unselfish dedication to the democratic consolidation project that involves us all.

As president of the nation, I feel proud to proclaim before all world nations that Guatemala's success belongs to all Guatemalans. In 1989, we will strive to reach accords, consultations and coordination, and the participation of all sectors. We expect all segments of our society to continue, or strengthen, their commitment,

tolerance, and determination to work together in a task that involves us all—the building of a society based on well-being and justice for future generations.

We will present proposals. We will implement ideas and programs for the year 2000 to ensure that the new century greets Guatemala as a nation in full development, fully integrated socially and politically, and with a stronger spirit to help attain world peace and solidarity. Thank you very much. [applause]

Cerezo Disagrees With UN Peace Force in Area

PA1501005089 Panama City ACAN in Spanish 2026 GMT 14 Jan 89

[Text] Guatemala City, 14 Jan (ACAN - EFE)—Guatemalan President Vinicio Cerezo today expressed his "disagreement" with requesting the UN "Blue Helmets" as a peacekeeping force in Central America.

As he was leaving the Guatemalan Parliament after his state-of-the-nation speech marking 3 years in office, Cerezo said that "bringing foreign troops to Central America is not necessary to achieve peace."

Last October, the Honduran Government headed by President Jose Azcona asked the United Nations to send the "Blue Helmets" to patrol its border with Nicaragua.

Cerezo stressed that "the goodwill of the Central American Governments and peoples should be enough to resolve our problems," adding that UN assistance "is necessary" to achieve peace in the area, "but not by sending armed forces."

Commenting on the Honduran proposal to establish a multinational peacekeeping force on the Honduran-Nicaraguan border, President Cerezo said on 14 October that "in the international field, we support the Esquipulas II Agreement," signed by the [Central American] presidents on 7 August 1987.

Army Reports 7 Casualties in Guerrilla Clash

PA1501163789 Panama City ACAN in Spanish 2151 GMT 13 Jan 89

[Text] Guatemala City, 13 Jan (ACAN - EFE)—A military source reported today that the Guatemalan Army sustained seven casualties during a clash with guerrillas in San Marcos Department, 253 km northwest of the capital.

Armed Forces spokesman Colonel Luis Isaacs Rodriguez told ACAN-EFE that Sergeant Arnulfo Lopez Castillo died during the clash, which occurred at Tajumulco Volcano, San Marcos Department.

The military commander added that six soldiers were wounded, but he has no information about the guerrilla casualties, because "they always take away their dead and wounded."

The URNG's news agency, CERIGUA, which is headquartered in Mexico City, today reported the rebels caused three Army casualties during an attack on a convoy in El Quiche, 157 km northwest of Guatemala City, early in January.

CERIGUA, which the Army has classified as a "clandestine" agency, added that the rebel forces also harassed the village of Amachel in Quiche, and other areas of Guatemala, but reported no casualties.

Isaacs said that CERIGUA's information is "false" and that "it is only trying to maintain the rebels' presence at the international level."

The military commander said: "The Guatemalan Army controls all of the small groups of criminals who are still trying to harass the Armed Forces."

URNG Reports Army Losses

PA1601150789 Paris AFP in Spanish 2340 GMT 14 Jan 89

[Text] San Jose, 14 Jan (AFP)—Guatemalan guerrillas today claimed they inflicted 25 Army casualties during clashes occurring 6, 7, and 8 January at Tajumulco Volcano, San Marcos Department, western Guatemala.

A report issued in San Jose by CERIGUA, the rebels' news agency, claimed the rebels also damaged a military helicopter in the same area.

The report said the main clashes occurred on 7 January in the sector of Todos los Santos Chiquitos, where the rebels carried out 2 ambushes and caused 25 casualties.

The fights occurred while Guatemalan Army troops were carrying out a counterinsurgency operation at Tajumulco Volcano, the report added.

The URNG, which is composed of four armed leftist organizations that operate in the country, admitted the death of one of its men in those actions.

Air Force A-37 Plane Crashes; Pilot Killed

PA1601224289 Hamburg DPA in Spanish 2205 GMT 16 Jan 89

[Text] Guatemala City, 16 Jan (DPA)—The Guatemalan Army's information department announced today that a Guatemalan Air Force (FAG) A-37 combat airplane crashed into Balan Juyu Hill, in the Acatenango area of Chimaltenango Province.

The plane's pilot, Lieutenant Carlos Augusto Morales Valle, 24, was killed in the accident. He had been patrolling Chimaltenango and Solola Provinces, where guerrilla activities have been reported.

The military bulletin states "the accident was reportedly caused by bad weather in that part of the country."

Meanwhile, the guerrillas have reported clashes in various areas, claiming to have inflicted casualties on the Army and to have damaged a helicopter.

Archbishop Says He Received Death Threats

PA1401220089 Panama City ACAN in Spanish 2101 GMT 12 Jan 89

[Text] Guatemala City, 12 Jan (ACAN - EFE)—Guatemalan Archbishop Prospero Penados del Barrio stated today that he has been subject to constant death threats because he has said that the United States is trying to consolidate its economic and political power in Latin America through religious sects.

However, Penados del Barrio did not specify who or what groups had threatened him.

Penados del Barrio said on 9 January that "it is possible" that evangelical pastors who have been nominated as presidential candidates for the March 1990 elections will "receive dollars" from the United States to finance their election campaigns.

"By dividing the Guatemalan people through these religious sects, the United States would have more control over a nation that has lost its Catholic faith," the archbishop said.

Evangelical pastors Jorge Serrano and former de facto President General Efrain Rios have begun their presidential election campaigns representing the Solidarity Action Movement (MAS) and "The Word" ["Verbo"] Church, respectively.

Following Penados del Barrio's public statements, U.S. Ambassador James Michel personally visited the Archbishop's Curia under tight security. He denied Penados del Barrio's statement, which referred to a report issued by Nelson Rockefeller.

According to Penados del Barrio, in 1969 Rockefeller presented to then-President Richard Nixon a report on his special Latin American tour, in which he recommended that "strengthening conservative sects would be very favorable to U.S. policy."

Ambassador Michel said that Penados del Barrio has been "misinformed," as it is possible that the religious sects and their members are receiving economic aid from private U.S. organizations, "but never from the current Republican administration."

According to the Archbishopric's Curia, there are some 20 U.S. religious sects in Guatemala.

Honduras

Azcona Speaks on Economy, Summit Postponement

PA1401143789 Tegucigalpa Telecadena 7 y 4 in Spanish 0000 GMT 13 Jan 89

[News conference with President Jose Azcona and unidentified reporters at the presidential palace in Tegucigalpa on 12 January—recorded]

[Text] [Reporter] [Words indistinct] with the $1.2 billion the United States was going to give Honduras? What happened to that money? Will that money continue to support Honduran bureaucracy or will it [words indistinct]?

[Azcona] There is no sense in asking that question right now. I already explained that in Washington.

[Reporter] What will the government do with that money?

[Azcona] That money will be used to create more jobs, to repair roads, and to invest in projects with the private sector. That money will also be used to implement projects along with Agency for International Development [AID] funds and under AID supervision. That money will also be used for military plans and loans, which are handled by the Armed Forces.

Therefore, there is no sense in echoing what irresponsible people, like host of "60 Minutes" Mike Wallace, say in the United States.

[Reporter] Mr President, while you were away, the World Bank announced it will not grant any more loans to Honduras because our country owes $20 million to that institution.

[Azcona] I am amazed that I have just arrived in Honduras and all I see are crazy newspaper reports. It is incredible. Mr Jorge Bueso is now reporting the IMF will also stop granting loans to Honduras. I must tell him the IMF has not given us any money during my administration. Therefore, an organization that never gave us one single dollar during my administration cannot stop giving money to us. We, however, have paid over $180 million to the IMF.

[Reporter] Mr President, could the postponement of the Central American presidential summit further shake Esquipulas II?

[Azcona] I do not know. Costa Rican President Arias sent us a letter which I received on Friday, 6 January. In that letter he presented various arguments. We believe most of them justify the postponement of the summit which was going to be held in San Salvador on 15-16 January.

[Reporter] Mr Bueso also says the Honduran Armed Forces are a heavy burden on the government. You went to the United States to request more aid for the country's defense. What can you tell us about that?

[Azcona] It seems to me that you are always seeking a confrontation with the presidency. The situation in Honduras worries me very much. I have been here for only 1 year [as heard], but the way Honduran journalists handle information.... [changes thought] I do not blame you, I blame the media owners. This is becoming absurd. Nowhere in the world do the media attack in such an inconsiderate and sometimes groundless way as they do here.

No one is going to make me act differently from the way that I have acted until now. I have acted cautiously, tolerantly, and with a great deal of understanding, but the truth is some people in this country go a little bit too far. First you asked about the $1.2 billion we were supposed to receive. Now you tell me I went to the United States to request aid for the Honduran Armed Forces, and Mr Bueso says we must reduce our Armed Forces to two battalions.

Let me tell you that in this country we are ruled by laws. The Constitution states that the National Congress establishes the number of Armed Forces members. If that is the case, then Mr Bueso must go and tell the National Congress to reduce the number of Armed Forces members.

We must begin respecting each other in this country. We must stop misusing the media. For example, today's TIEMPO carries an article that can be described as criminal. A president who says the fiscal policy encourages the devaluation of the lempira is not committing a crime. Those who write absolutely biased articles thinking they will harm the Honduran president are committing a crime. They are harming Honduras, and Honduras must be protected from all evils. It should not only be protected by the government, but by the people who more or less feel responsible for this country.

[Reporter] Hondurans are concerned about the answer Mr Bush gave to your requests. He said he will study your requests.

[Azcona] Mr Bush did not give any specific answer, for God's sake. Mr Bush listened to our concerns and he said he will take them into account and will try to seek a solution to the problems.

The newspaper I mentioned before also said I went to the United States to ask for aid for the contras. That is not true. It seems to me everyone wants to create their own story to benefit from it.

I will give an explanation to the Honduran people. I have a duty to the Honduran people, not to the four or five people who write for a couple of newspapers and do not represent public opinion at all, because unfortunately not everybody reads newspapers in our country. Those few people want to proclaim themselves as leaders of public opinion and that is not the case. I will only provide explanations to the Honduran people.

More on FMLN, Summit

PA1401160789 San Pedro Sula TIEMPO in Spanish 13 Jan 89 p 4

[News conference with President Jose Azcona Hoyo and unidentified local reporters at the presidential palace in Tegucigalpa on 12 January]

[Excerpts] [Passage omitted] [Reporter] Are you concerned about the presidential summit?

[Azcona] I believe it is a concern. President-elect Bush told me the Central American situation is a priority for him. He added that he will not neglect the Central American problem, which is encouraging for us. The bad thing would have been if Bush had said he was no longer interested in the Central American problem. [passage omitted]

[Reporter] Have the FMLN attacks been repelled by the Armed Forces?

[Azcona] Now we have an idea of the dangers that we are facing on our borders. In order to have a corridor to the Colomoncagua refugees, the FMLN enters Honduran territory and attacks.

[Reporter] What is the situation with the Blue Helmets [the United Nations peace-keeping forces]?

[Azcona] Of course we want them. Last week we received a note from Mr Perez de Cuellar where he states the United Nations is studying that possibility.

[Reporter] Have you issued any instructions regarding the contras' criminal actions and their presence in Honduras?

[Azcona] The Armed Forces follow instructions that stem from the laws of the Republic, which means there is no need to issue new instructions. In the United States, 1,000 or 2,000 crimes are committed [words indistinct] than here, but it is not published on the front page like it is here.

Foreigners who see the newspapers think people are murdered in Honduras and so they do not come to the country. Many have cancelled their trips because of the news on the newspapers' front pages. Saying this will generate a wave of criticism and attacks, but at this time I am not concerned about being attacked by the media because I want to devote my time to govern and do all I can to help Hondurans.

[Reporter] Does Honduras have a future?

[Azcona] Honduras does have a future. What we have to do is to produce. The media, businessmen, and labor unions should be watchful. It is necessary to have dedication to produce and to fight unemployment.

[Reporter] Could money invested abroad be returned to the country?

[Azcona] During past congressional sessions, a law was approved to bring back money invested abroad, but this had no effect because not only have former government officials invested money abroad, but businessmen have done the same.

People can investigate anything they want, but I have done nothing that I am ashamed of, and I do not plan to do anything that I would be ashamed of.

Army Begins Exercises With U.S. Troops
PA1601224489 Tegucigalpa Cadena Audio Video in Spanish 1200 GMT 16 Jan 89

[Report by Miriam Mercado]

[Text] The 1989 Ahuas Tara and Terencio Sierra military maneuvers will begin today with the participation of 1,900 U.S. troops. The maneuvers are expected to last until June 1989. It was also announced that Honduran Army battalions will participate in the maneuvers.

The war games will include the repair of strategic military landing strips, such as the one in San Lorenzo, Valle Department, where a few years ago the Americans experimented with a plane called "Bird's Eye," which carried no pilot. According to the U.S. Embassy in Tegucigalpa, a similar experiment was suspended a few years ago when several planes failed and one of them crashed in Morazan Department, El Salvador, an FMLN stronghold.

In addition to the landing strip in San Lorenzo, U.S. military engineers will repair other runways such as the one in Jamastran, in the eastern part of the country, and Palmerola, among others.

Another phase of the maneuver, which will begin in Honduras today, will include the continuation of a road that U.S. troops began building in Yoro Department 4 years ago. According to the U.S. plans, the road will connect the country's entire Atlantic coast region, such as Puerto Castilla, La Ceiba, Yoro, and Olancho. If such annual programs continue, they may even be able to connect with Gracias a Dios Department bordering Nicaragua.

The military maneuvers, which allow for the permanent presence of U.S. troops in Honduras, were made legal through the recent signing of agreements in Tegucigalpa by U.S. Ambassador Everett Briggs and Honduran Defense Minister Wilfredo Sanchez Balladares.

Finance Minister on World Bank Suspending Loans
PA1301183989 Panama City ACAN in Spanish 2236 GMT 12 Jan 89

[Text] Tegucigalpa, 12 Jan (ACAN-EFE)—Honduran Finance and Public Credit Minister Jose Efrain Bu Giron said today that the World Bank has suspended the delivery of various loans, which had already been approved, until Honduras pays off a $17-million debt it has with that institution.

Bu Giron said: "We are trying to find a way to pay off the debt while the programs for structural adjustments financed by the World Bank continue, as there are no other conditions to receive those loans but to be up to date in the payments."

The Honduran minister refused to give a tentative date for the payment of the World Bank debt, and added that the country is trying to obtain foreign exchange through coffee sales, which are expected to be satisfactory this year.

Bu Giron also confirmed that "Honduras is facing a serious foreign exchange crisis, because it has to pay almost $1 million per day in the servicing of the foreign debt and in small payments on the principal of the debt."

Honduras has a $3.5-billion foreign debt, which it pays off monthly by using new loans from international organizations, so the vicious circle prevents the country from having an acceptable foreign exchange reserve.

In view of that situation, since 1980, international financial organizations have been pressuring the government to devalue its currency, the lempira, by up to 50 percent to start with.

The Honduran Government has resisted devaluation and in exchange has promised to reduce public expenditures, cut the fiscal deficit—which is $400 million—and adopt other measures to stabilize the economy.

Bu Giron said: "We are fulfilling the demands imposed on us and all international financial organizations are aware of that. They, however, demand that we be caught up in our payments."

Meanwhile, Presidency adviser Carlos Falck said the Honduran Government told the World Bank that it will pay off the debt once the World Bank gives Honduras $25 million, which was scheduled to be delivered in January.

According to Falck, "we must pay the $17 million, but if we pay and then the World Bank does not deliver the $25 million to us, we will be left without foreign exchange, which we need to buy oil and to make emergency and priority purchases abroad."

Falck also confirmed that in 1988, Honduras paid $108 million to the World Bank, "which proves that we have good intentions, that we act in good faith, and that we meet our financial obligations."

Nicaragua

Opposition Groups Request Permit for Jan March

PA1301141489 Managua LA PRENSA in Spanish 11 Jan 89 p 12

[Text] The Nicaraguan Civic Opposition's executive committee met yesterday to finalize the details of the 15 January march to commemorate the 11th anniversary of Dr Pedro Joaquin Chamorro's murder.

Attending the meeting, which was held at the Nicaraguan Democratic Coordinating Board's offices, were Dr Duilio Baltodano and Dr Roger Guevara Mena, representing the Nicaraguan Democratic Coordinating Board; Mauricio Diaz Davila, Adolfo Jarquin Ortel, and Allan Zambrana, representing the 14 opposition political parties; and Alejandro Solorzano and Santos Tijerino, representing the Workers Permanent Congress [CPT].

The committee sent a note this morning to Sandinist National Police Chief Commander Doris Tijerino to officially request a permit to hold the 15 January march.

The note reads as follows:

The Nicaraguan Civic Opposition Executive Committee, which is composed of the Nicaraguan Democratic Coordinating Board, the 14 [opposition] political parties, and the CPT, hereby requests the necessary permit to hold a meeting and a civic and peaceful march in Managua on Sunday, 15 January, to commemorate the death of Luis Medrano Flores and Pedro Joaquin Chamorro Cardenal.

We are making this request in accordance with Article 54 of the Constitution, and in the spirit and letter of the Esquipulas II agreement signed by the Central American presidents on 7 August 1987.

The route of the march will be as follows:

The march will begin at the San Miguel Archangel Church in Linda Vista and continue to the traffic lights on 35th Avenue. It will then turn right until it reaches the Linda Vista drugstore. Then it will take a left turn up to TELCOR [Nicaraguan Telecommunications and Postal Services]. When it gets to the Monsignor Lezcano neighborhood it will take a left turn until we reach the general cemetery.

This activity will begin at 0800 and end at 1400.

We will appreciate your prompt, efficient, and appropriate response, and take this opportunity to cordially greet you.

Signed: Duilio Mayorga, Nicaraguan Democratic Coordinating Board vice president
Mauricio Diaz, represnting the 14 political parties
Alejandro Solorzano, representing the CPT

March Termed 'Failure'

PA1501235289 Managua Domestic Service in Spanish 1943 GMT 15 Jan 89

[Report by Carlos Guadamuz and Noel (second name unknown) in Managua—live]

[Text] [Guadamuz] We have just returned from the general cemetery where we were observing the march of the 14 [opposition] parties and the Ramiro Sacasa Coordinating Board [CDN]. We report to our people that the demonstration was a complete failure.

We estimate that there about 5,000 demonstrators. Our figure coincides with estimates made by foreign newsmen and correspondents including the U.S. Associated Press Agency, AP. Regarding the march of the CDN, AP reports that some 5,000 demonstrators took part in a march on the streets of this capital to mark the murders of newsman Pedro Joaquin Chamorro and labor leader Luis Medrano during the Anastasio Somoza regime. The marchers carried signs bearing anti-Sandinist slogans.

Besides the 5,000 people who participated in this march, which was called by the CDN, or more specifically by the U.S. Embassy, we noticed the presence of many foreign diplomats. Representatives of several embassies accredited to our country and many members of the U.S. Embassy also participated, confirming that the march was organized by the U.S. Embassy.

Although the rightist leaders of the CDN have denied that the U.S. was involved, the truth is that many blond people—gringos—were everywhere in the demonstration near the cemetery among the other people. Members of the U.S. Embassy even displayed provocative attitudes. Noel is arriving now; you just came from there, is that right?

[Noel] Yes. We emphasize that it was a failure because, even if 5,000 people marched in this demonstration—and we repeat, it is not the Voz de Nicaragua that is saying there were 5,000 people but the international press agencies, and we have just seen an AP report that specifically says 5,000 demonstrators—the demonstration was a failure in spite of the big campaign that promoted the event. The newspaper LA PRENSA published banner headlines urging everyone to join in. Even Mrs Violeta Chamorro herself issued an appeal. This means, among other things, that the right-wing parties, the U.S. Embassy, and the right-wing media, in this case LA PRENSA, are not capable of rallying the people in Nicaragua.

They launched a big propaganda campaign yet they were only able to gather 5,000 people; this is really shameful. A fellow journalist said yesterday that this is an insult to

Pedro Joaquin Chamorro's memory because these people are using his anniversary. This is certainly an insult because members of the Somozist regime and the National Guard—the same ones who killed Pedro Joaquin Chamorro—are involved, and the U.S. Embassy's dollars are being used. We all know that the U.S. Embassy financed the march with thousands of dollars and, as expected, the dollars ended up in some corrupt right-wing leaders' pockets. This includes Carlos Huembes, the infamous Carlos Huembes, the fat guy who is a member of the...is it the CTN [Nicaraguan Workers Federation]?

[Guadamuz] Yes, the CTN.

[Noel] That corrupt fat guy, Carlos Huembes. Members of the other group, the CDN, have accused him...[changes thought] the issue here is that they are fighting among themselves and washing their dirty linen in public.

[Guadamuz] The scandal about the dollars?

[Noel] The scandal about the dollars. They accused this corrupt guy, Carlos Huembes, of pocketing a sizeable part of the money given by the U.S. Embassy. Did you want to say something?

[Guadamuz] There is a significant fact about the march that might be of interest to the Catholic people of Nicaragua. The march was led by Pedro Joaquin Chamorro's widow, Mrs Violeta Barrios de Chamorro, and when they arrived at the cemetery the group split up. Mrs Chamorro went to Pedro Joaquin's tomb, where the march was expected to end, and waited for the rest of the people. There she was, surrounded by approximately 20 people at Mr Chamorro's tomb, waiting for the others; but the people of the CDN and the political parties stayed outside, talking all kinds of nonsense.

[Noel] Yes.

[Guadamuz] Mrs Violeta said: What happened? Let us wait until the others arrive. Eventually Mrs Violeta said a Hail Mary and an Our Father at her husband's tomb while the others held a political rally. What does this mean? That Mr Chamorro's memory was used to carry out the U.S. Embassy plans.

[Noel] Yes, that is clearly the situation. The people who insulted, humiliated, and offended Mr Chamorro while he was alive now claim that they support his cause. We think this is a pity. Mrs Chamorro should do everything within her means to honor the memory of her husband, who was assassinated by the Somozists. She should not allow this type of thing because it soils Dr Chamorro's memory. This also casts a shadow on Mrs Chamorro's image because she became involved in a scandal of dollars, thefts, and corruption.

The consequences are clear: The people rejected her appeal and the campaign supported by LA PRENSA and the U.S. Embassy; and they refused to participate. The march was a complete failure because 5,000 people came for a demonstration that had been highly publicized by private radio stations, the right-wing radio stations, the newspaper LA PRENSA, and thousands of dollars from the U.S. Embassy. Furthermore, the church is also involved, meaning the right-wing church, not the people's church. This demonstrates that our people will not put up with idleness, corruption, or theft; and they will not play the U.S. Embassy's game.

[Guadamuz] Our people are currently facing a real economic crisis. We, as part of the government do not deny it. There is a crisis; right now we are suffering a terrible economic crisis. Of course, a great part of this economic crisis is caused by U.S. aggression. When the economic crisis is discussed people forget the most important part—the aggression; the blockade itself. A few days ago, THE NEW YORK TIMES—the most important U.S. paper—said that the famous U.S. blockade had only damaged, not the Sandinists as Reagan wanted, but private enterprise.

In Nicaragua, it has been private enterprise that has suffered the most from the Reagan government's blockade. Here in Nicaragua, private enterprise is practically bankrupt and now they [not further indentified] want to blame the revolutionary government. Our people are facing an economic problem that affects all of us: government, people, workers, peasants, market place vendors—everyone. We are all in this together trying to find a way out of it.

Our people have no time for this sort of idleness. We say idleness because if it were really something spontaneous—a peoples' revolution or something of the masses—then the people would be there. There would be 100,000, 150,000, 200,000 people. No, instead there were only 5,000 and these 5,000 were taken there....

[Noel, interrupting] There were even some drunk peasants whom the conservatives took to the so-called demonstration.

[Guadamuz] Noel, we want to give special recognition to our peopie who are a mature people who do not waste their time in useless things. Our people, all of us together, are in a daily struggle to solve the economic problems that the U.S. aggression and blockade, along with our own inefficiencies, have brought. Possibly, as a people we have not given all we should have.

The basic factor has been this war. The United States has invested hundreds of millions in this country for destruction—not construction. In addition, the blockade has reduced imports from United States to zero. Nearly 100 percent of our imports came from the United States. Everything has collapsed; factories and everything else have deteriorated because of this blockade. Anyway, once more our peoples' maturity has shown.

This has proved once again that the Nicaraguan right-wing groups, the right-wing and reactionary church—not the people's church, which defends the people—, and the U.S. Embassy, which spread thousands of dollars among the opposition leaders, lack the necessary reasoning, motivation, and ability to rally the people because only about 5,000 people participated in the event.

It would be advisable to check on all the diplomats who meddle in our internal affairs. We are sure that their governments would not let foreign diplomats meddle in their internal affairs. We noticed several Venezuelan flags, and the Venezuelan Embassy should tell the CDN and the right wing not to overdo it. The Venezuelan flag has been dragged in the mud, excrement, and slime in which the infamous demonstration has become immersed. The U.S. Embassy gave thousands of dollars and a few, including Carlos Huembes, pocketed the money. The flag of a country we respect very much, that is Venezuela, should be respected and honored. Instead, it has been dragged in the mud by these people, whose plans have completely failed. Would you like to add something, Noel?

[Noel] No. Guadamuz has clearly stated that the whole thing was a complete failure. The demonstration was scheduled to begin at 0900 but there were not enough people, so it began at 1100. Peasants were brought in from several farms, some of whom were completely drunk, to increase the group.

[Guadamuz] The people who organized the event gathered at the Saint Michael Archangel church but their plans were a flop. They barely managed to gather 5,000 people—according to our estimates. Therefore, we repeat, the CDN and right-wing group's march, meaning the U.S. Embassy's march, was a complete failure.

Said to End 'Peacefully'

PA1501211089 Panama City ACAN in Spanish 2009 GMT 15 Jan 89

[Text] Managua, 15 Jan (ACAN - EFE)—An anti-Sandinist demonstration, which was held in Managua today by the Nicaraguan opposition, ended without incident after the participants, estimated by the organizers to number 25,000, went home peacefully after singing the Nicaraguan anthem.

Slogans against the Daniel Ortega government were chanted during the demonstration. According to a police source consulted by ACAN-EFE, 5,000 people attended the demonstration.

The opposition march was organized by the Nicaraguan Democratic Coordinating Board (CDN), a coalition of 14 political parties and the Workers Permanent Congress (CPT).

The police kept a close watch on the demonstration that was called to protest "the hunger, misery, and state parasitism of the Sandinists."

The march also commemorated the anniversaries of the deaths of labor leader Luis Medrano Flores and journalist Pedro Joaquin Chamorro in 1978.

Termed 'Most Significant'

PA1601040989 Panama City ACAN in Spanish 2150 GMT 15 Jan 89

[Text] Managua, 15 Jan (ACAN - EFE)—While the organizers of today's antigovernment demonstration in Managua estimated the turn-out at 25,000, the police put the number of demonstrators at 5,000. The march, which was held to protest against the Sandinist regime, ended without incident.

Despite the discrepancy in the figures, the demonstration was considered the largest and most significant in Nicaragua in the past 10 years, the years that the FSLN has been in power.

The march began after a mass to commemorate the anniversaries of the deaths of labor leader Luis Medrano Flores and journalist Pedro Joaquin Chamorro, murdered in 1978. The march through the streets of Managua lasted more than 2 hours and ended at the general cemetery.

The demonstration, authorized by the government, was organized by the Nicaraguan Coordinating Board (CDN), composed of two labor federations, four political parties, and part of the labor sector, and the Workers Permanent Congress (CPT), made up of four opposition unions and 14 political parties.

In addition to paying homage to Chamorro and Medrano, the demonstration was called to protest "the hunger, misery, and state parasitism of the Sandinists."

During the march, headed by Violeta Chamorro, the journalist's widow and current general director of the newspaper LA PRENSA, and top Nicaraguan opposition leaders, the demonstrators chanted slogans against Daniel Ortega's government.

"What do the people want? They want the FSLN to go," was the slogan that the demonstrators chanted the most while they marched down Managua's streets, discreetly watched by a few police "jeeps."

Shouts against the "hated compulsory military service" were mixed with protests against the scarcity of staples, the high cost of living, and the government's economic plans.

The marchers also demanded amnesty for political prisoners, peace for Nicaragua, freedom, democracy, and a dialogue between the government, the opposition, and the contras.

Gilberto Cuadra, president of the Higher Council of Private Enterprise (COSEP) which is a CDN member, told ACAN-EFE that "the people have taken to the streets to demand what they have been denied for 50 years."

Myriam Arguello, president of the Nicaraguan Conservative Party, said: "the people have acquired a civic awareness and have begun to wake up to demand democracy for their country."

"As we said yesterday" (referring to her arrest in Nandaime, southeast Nicaragua, during a demonstration in July 1988), the people are tired of so much totalitarianism and misery, which is what the Sandinists have brought," Arguello added.

CDN President Carlos Huembes, one of "Nandaime's inmates" after the violent disturbances that occurred in that Nicaraguan city, said that the Sandinist government has two alternatives: "To go—the most honorable alternative, or to remain stubbornly in power at the expense of the people's sacrifice—the more tragic alternative."

Adolfo Evertz, leader of the Nicaraguan Socialist Party (PSN), a former FSLN ally, said that from now own the opposition should draft a platform and present it to the government as the only alternative in future elections.

Guillermo Potoy, president of the Social Democratic Party, called for a plebiscite because Sandinists cannot continue to rule the country and added that the "people want a change."

The demonstration was staged without the incidents that BARRICADA, the FSLN official newspaper, had predicted. According to today's issue, the demonstration was to end in "vandalism."

Yesterday, BARRICADA accused the organizers of the demonstration of keeping $25,000 that the U.S. Embassy in Managua had given them to finance the march.

The demonstration concluded at the entrance of the general cemetery in Managua with the singing of the national anthem.

Anti-Sandinist Speeches Aired

PA1601193089 Managua Radio Sandino in Spanish 1230 GMT 16 Jan 89

[Text] [Reporter] The opposition political parties march took place in a peaceful manner. Breaking the preplanned program, more than 21 persons spoke before a gathering of approximately 10,000 participants.

Most of the speeches followed the trend of attacking the revolutionary government. The first to speak was Violeta de Chamorro, who asked that opposition groups be serious about uniting this year, because it is decisive for the opposition political parties' struggle. She demanded that a general amnesty be decreed; a group of street vendors [chicheros] hummed a U.S. Marines march while she spoke. Eli Altamirano, speaking for the Nicaraguan Communist Party, proclaimed himself a leader and stated his support for the struggle for democracy and social progress. He demanded a national salvation government be formed. According to him, a national salvation government is needed to save the country from poverty. Antonio Jarquin, leader of the Autonomous Central Organization of Nicaraguan Workers, CTN, stated that the opposition parties' unification is possible and is necessary to form a new society and a regime of freedom. He said this will be the FSLN's last year in power, because the opposition parties are determined to do anything.

Without any problems, the march ended in the general cemetery, where a group listened to Violeta de Chamorro speak in front of her husband's tomb while another group was listening to Confederation for Trade Union Unity Leader Alvin Guthrie speak at the cemetery's entrance.

According to Mrs Violeta de Chamorro, this year must be decisive for the country's opposition and a general amnesty should be decreed to comply with the Esquipulas agreements:

[Begin Chomorro recording] My husband has not been the only one killed; thousands of Nicaraguans have been killed here and in the mountains. Why? Because of a quarrel, because Nicaraguans were betrayed. [applause] As is fitting, the opposition has accepted the challenge of attaining unity. The fatherland demands our unification. The fatherland will reward those who accept its orders in this decisive hour. To obey the fatherland—I do not want to bore you—we have to pick up Pedro Joaquin's [Chamorro] flags and say together with him, who is immortal: Nicaragua will be a republic again! [end recording]

[Reporter] The Nicaraguan Communisty Party's Secretary General Eli Altamirano stated that he favored the strengthening of democracy and social progress and that the country needed what he called a national salvation government:

[Begin Altamirano recording] This gathering is evidence of the people's energy and that its willingness to struggle is untiring and almost unbeatable. Our people, submerged in hunger and poverty, cry, moan, sing, struggle, and want to attain victory. Many people believe the opposition's unity of action is unjustified. These are people with ridiculous thoughts that always highlight our differences. However, they forget about the common tasks required by a country that has suffered and is submerged in poverty. At present, the most important difference is not the one between our parties; it is not even the difference between classes. There are other reasons that have forced and forged this national unity. On the one hand there are the military dictatorship, war, ruins, poverty, backwardness, and an unstoppable and developing general crisis; on the other hand, there are the

national struggle to attain democracy, a firm and stable peace, and the country's reconstruction so it can develop independently and have social progress. [end recording]

[Reporter] Autonomous CTN Leader Antonio Jarquin stated that this would be the FSLN's last year in power, because the political parties are determined to do anything.

[Begin Jarquin recording] Only if we are united will we be able to construct a new society, a society our people want so much, one based on freedom, development, and democracy. We want to have a regime that professes freedom. The military regime must end once and for all. The military personnel must be sent to factories and stores to work and stop being parasites on our people. This year is a decisive one. At the end of 1988, we said: Christmas without political prisoners. During 1989, we have to say: We must be without Sandinism and opression in Nicaragua by December. Our people are confronted with this challenge. We need to close 1989 without Sandinism. The people are the ones who are able and have the right to change this reality. [end recording]

Ortega To Attend Perez Inauguration Ceremony
PA1201170289 Managua Radio Sandino in Spanish 1200 GMT 12 Jan 89

[Text] Nicaraguan President Daniel Ortega will attend Carlos Andres Perez' inauguration ceremony to be held in Caracas on 2 February. It was also learned that the president has postponed his trip to Brazil scheduled for this month. While in Caracas, Ortega will talk to the various Latin American heads of state attending the ceremony about Nicaragua's efforts in seeking fulfillment of the Esquipulas II peace agreements. The presidents of Costa Rica, Peru, Brazil and Uruguay will also be present at the inauguration ceremony.

Ortega Addresses 'Basic Forces' of Revolution
PA1601185389 Managua Radio Sandino in Spanish 1200 GMT 16 Jan 89

[Report on speech by President Daniel Ortega Saavedra at closing ceremony of the sixth assembly of the basic forces of the revolution; in Managua on 15 January]

[Text] Daniel Ortega Saavedra, commander of the revolution and president of the Republic, addressed the sixth assembly of the basic forces of the revolution and referred to a new reduction of the national budget. The government's budget will be reduced by 20 percent, which will force cutting investments and temporarily halting some projects. Many works will not be carried out during 1989; maybe the can be carried out in 1990 if we obtain foreign support and improve national production. The president said the country needs $150 million to continue these investments. The FSLN National Directorate member pointed out that the planning council will revise the state's budget and expenses and make reductions where social services will be least affected. The president promised the basic forces of the revolution to incoporate their proposals to the measures being discussed by the National Directorate. The 7-hour session was attended by unions, associations, Vice President Sergio Ramirez Mercado, and the members of the National Directorate Commanders of the Revolution Luis Carrion and Victor Tirado.

There were several coincidences in the proposals presented separately by each organization, including a proposal to revise the bank interest policy. They demanded complete honesty from the leadership cadre and an evaluation of the results obtained from the previous reduction of forces before even considering a new reduction. Another interesting aspect in nearly all of the proposals is a rejection of the special salaries, excessive expenditures, and bonus payments in dollars that the directors of enterprises or state officials bestow upon themselves.

The president also said the working class must wage a battle to implement the economic measures that will guarantee revolutionary power. Daniel Ortega added that the economic measures are very important now that exports are decreasing. He said that since 1984-1985, exports have dropped below $300 million, while the government managed to export $500 million during the time period following the revolution's victory. However, the economic measures will try not to affect children's education, public health, and social programs, President Ortega stated. He added that the religious, productive, and political groups that have never had a positive opinion of the economic measures now have one last chance to join the democratic process. Speaking during the closing ceremony of the sixth assembly of the basic forces of the revolution, Ortega said:

[Begin recording] We are going to give an opportunity to the social, economic, political, and religious groups that have never voiced a constructive opinion concerning the various measures the revolution has adopted. We will give a new opportunity to those who have used and continue to use democracy in our country, where there is pluralism and mixed economy. This pluralism goes as far as allowing political groups or unions to speak out in favor of the interventionist policy of Yankee imperialism, at a time when Yankee imperialism is murdering our people.

However, these groups are going to be incorporated—once and for all—into this revolutionary process with patriotic feelings. The workers here today have paid greatly to maintain a scheme to benefit these groups who have become accomplices of the crimes that have been commited against the rural and city workers and of the economic deterioration that the working class has endured. The workers and the FSLN are prepared to give a new chance to these social, economic, political, and religious groups who have been dreaming of Yankee intervention and of the defeat of the revolution. The hour has come to understand that this democracy is the authentic one, the true one that the Nicaraguan people want, and that the course of this democracy cannot be changed as they see fit. [end recording]

The president added that the economic measures will continue to be implemented with the support of the peasants and workers, who have endured the worst part of the crisis during the most recent years. Commander Ortega referred to a need to halt inflation; therefore, it is not advisable to issue paper money to finance our share in cordobas required by the investment projects. Nicaragua has rejected international support, because the country does not have its share in cordobas. Let us listen to the president:

[Begin recording] If we do not have the cordobas to finance our share, we cannot complete the projects. Having cordobas means having a currency that has backing. However, our currency is weak because our production has decreased. Since 1984-1985, our export production has dropped below $300 million. During the period of time immediately following the victory of the revolution, we exported over $400 million, almost $500 million. As the aggression increased, our exports continued to drop. [end recording]

Ortega Urges Workers To Increase Production

PA1601020189 Panama City ACAN in Spanish 0011 GMT 16 Jan 89

[Text] Managua, 15 Jan (ACAN - EFE)—Nicaraguan President Daniel Ortega today urged workers in the productive sector to raise agricultural exports to better face the economic crisis in this Central American country.

Ortega asked the workers for more sacrifice, efficiency, and discipline at the close of a meeting of the so-called "revolution's basic forces"—the workers.

Ortega said that the main thing is to get export production restarted to push Nicaragua forward. Nicaragua is in the midst of its worst economic crisis ever.

In 1988, exports from Nicaragua suffered a dramatic decline from $210 million in 1987, to $190 million. According to private businessmen, exports are only expected to reach $180 million in 1989.

"We cannot stop producing cotton just because prices are not at 1950's or 1960's levels," the Nicaraguan president stressed. Ortega listened for more than 2 hours to proposals made by Sandinist trade union leaders for reactivating production—which currently does not match 1977 levels—and for controlling inflation.

According to the government, the 1988 accumulated inflation index reached 20,000 percent, while opposition economists calculate that during that same period it reached the unprecendented world record of 27,000 percent.

"We must continue the struggle to raise production and defend the revolution," Ortega insisted, adding that the Sandinist workers trade union leaders' proposals will be taken into account when the government adopts new economic measures.

Ortega said that in the future, decisions on economic policies will not be the exclusive preserve of the government, but will include the workers as well.

Contras Plan Revenge for Death of Leader

PA1301154789 Managua BARRICADA in Spanish 11 Jan 89 pp 1, 5

[Excerpt] The Honduran Armed Forces are concerned about the worsening conflict in the contra ranks and fear an attack on the Nicaraguan Embassy in Tegucigalpa.

Several counterrevolutionary commanders have said the Sandinist government is responsible for the death of Manuel Adan Rugama Acevedo, alias Aureliano, who was secretary of the council of commanders of the contra army.

An article published Monday by the Honduran daily EL HERALDO cites military sources in noting that the Honduran High Command is concerned because contra mid-level commanders are still opposed to the leadership of former Somozist Colonel Enrique Bermudez. The assasssinated military chief was very close to this former Somozist colonel.

Meanwhile, Bermudez has threatened to carry out unspecified actions inside Nicaragua to avenge the death of "Aureliano."

Manuel Adan Rugama Acevedo entered the Nicaraguan Military Academy as cadet No 1280 in the 1969-1973 class. His father was a National Guard lieutenant colonel.

Some Honduran circles were not surprised by the assassination of Rugama. It is well-known that he had a very bad reputation because he always stayed in Honduras and never entered Nicaragua to participate in any military action.

According to those circles, the resentment increased when Bermudez decided to appoint Rugama secretary of the council of commanders.

In May 1987, the patience of contra commanders ran out when Rugama, who had been sent to the border sector of San Andres de Bocay to carry out a military offensive, retreated and abandoned his men.

On that occasion, another contra commander, Renato, went to help the decimated contra troops. When he arrived he found that Aureliano had run away. Since then, Renato has referred to Aureliano as a coward. That was the only time that Aureliano tried to participate in a military action and his participation came as a result of pressure from other regional commanders.

The contra troops soon knew about the regional commanders' opinion of Aureliano and scornful jokes were made behind his back.

A Honduran Army officer who serves as a liaison with the contras, Lieutenant Moya, has had differences with Rugama since the days when the latter began to get involved with Nidia Abud, a collaborator of the Somozists.

Armando Lopez ("El Policia"), one of the 17 former National Guard members who took special courses in Argentina and out of which emerged the founders of the contras, was also very resentful of Rugama.

One report from the clandestine world was that El Policia could not accept Rugama having a higher post than his because El Policia had more seniority within the contra ranks.

When Aureliano was appointed to the council of commanders, he should have handed the post of commander of the "Segovia" Regional Command to a contra known also as "Segovia," but, disregarding procedures, Aureliano handed the command over to a contra known as "Kaliman," and this produced ill feelings. [passage omitted]

Government Suspends Radio Corporacion Newscast

PA1701030189 Panama City ACAN in Spanish 0222 GMT 17 Jan 89

[Text] Managua, 16 Jan (ACAN-EFE)—The Sandinist government tonight indefinitely suspended the opposition "Five O'Clock Sharp" newscast, broadcast by Radio Corporacion, for airing "false reports" about the Interior Ministry.

According to the official notification, the closure is due to the newscast having aired on Friday, 13 January, announcing the dismissal of 5,000 officers of the Nicaraguan Interior Ministry (MINT) as part of the Managua government's budget cutback plans.

A station spokesman told ACAN-EFE that all they had done was repeat a news item broadcast a few hours before by the state-run La Primerisima radio station.

In October, Radio Corporacion's "Six O'Clock Sharp" newcast was also indefinitely suspended because it aired an ACAN-EFE item on statements by a contra leader accusing the Sandinist government of bombing Nicaraguan refugees fleeing to Honduras.

MININT Orders Suspension

PA1701045589 Managua Radio Corporacion in Spanish 0428 GMT 17 Jan 89

["Text" of resolution issued by the Interior Ministry's Media General Directorate in Managua on 16 January]

[Text] Whereas:

1. Radio Corporacion's "Five O'Clock Sharp" newscast, directed by Jose Castillo Ocejo, in its Friday, 13 January 1989 newscast aired a report entitled: Reports Indicate that 5,000 Interior Ministry Members Will Be Dismissed.

2. The report issues false information about the Interior Ministry's budget cuts and reduction of personnel.

3. The broadcast does not abide by Article 2, Paragraph A, of the General Provisional News Media Law.

According to Article 42 of the regulations of the General News Media Law, this is a violation of the law.

Therefore, based on the authority granted by Article 46 of the General News Media Law, it is decided:

1. To indefinitely suspend the "Five O'Clock Sharp" newscast.

1st Lieutenant Lissette Torres Morales, director
Media General Directorate, Interior Ministry

EPS Criticizes U.S. Charges Against Noriega

PA1501163389 Hamburg DPA in Spanish 1710 GMT 14 Jan 89

[Text] Panama City, 14 Jan (DPA)—Colonel Javier Carrion, chief of the EPS General Staff, has stated in Panama City that the U.S. Government accusations against General Manuel Antonio Noriega are "a policy of pressure which seeks to eliminate Gen Noriega from the Panamanian political scene and his post as commander of Panama's Armed Forces."

Carrion, together with Nicaraguan Security Chief Ricardo Wheelock and Colonel Carlos Brenes, participated in a political-military seminar for Panama Defense Forces' captains in which they exchanged "experiences on the military doctrine" of both countries' military institutions.

Lieutenant Colonel Ricardo Wheelock said the Sandinists would be willing to participate in a direct dialogue with the new George Bush administration.

He said: "We are now leaning toward discussing with the United States those security elements that are worrisome to that country and to us. We believe that is the best path after it has been proven that, in Nicaragua, the policy of force used by the Reagan administration was a total failure."

EPS Reports Contra Actions, Casualties 1-8 Jan

PA1401002289 Managua BARRICADA in Spanish 12 Jan 89 p 2

[Report by Tatiana R]

[Text] Juigalpa—Twenty-two offensive contra actions were carried out in the 5th Military Region between 1 and 8 January in repeated violation of the cease-fire decreed by the revolutionary government. As a result of these actions, four persons were killed, four were wounded, including civilians and soldiers, and three peasants were kidnapped.

A bulletin issued by the EPS Public Relations Office in the 5th Region reported that EPS troops inflicted 14 casualties in the zones of El Rama, Nueva Guinea, La Via, and Boaco in retaliation of the mercenaries' aggressive actions.

The bulletin adds that the counterrevolutionary groups that operate in the region are characterized by their terrorist and criminal actions. They continue to kill and kidnap defenseless peasants and steal their possessions, including their cattle. Such an action was perpetrated at a farm in Zanjon Hondo, 5 km southeast of Muelle de los Bueyes, where a group of contras stole 40 head of cattle. Meanwhile, Reagan's champions kidnapped a civilian and stole some clothes and utensils in El Cangrejal, south of Murra.

The EPS Public Relations Office also reported the discovery of an arms cache in the area of Las Delicias, 2 km northeast of El Guayabo. The cache included 1 RPG-7 rocket launcher, 1 60 mm mortar, rifles, and ammunition.

Some of the contras' offensive actions included the 3 January attack on the town of Muhan, where two youths doing their patriotic military service were killed. Also, the FSLN delegate to the territory and one military officer were wounded.

The EPS inflicted three contra casualties in the El Imperio sector, 12 km southwest of Acoyapa, thus countering their criminal plans. Likewise, two contras were annihilated in the area of El Areno, south of Muelle de los Bueyes. The contras also carried out their offensive actions in Nueva Guinea, but they were repelled in the Cana Chacalin sector, near the Carlos Fonseca neighborhood, and the mercenary forces sustained one casualty.

Delay of Soviet Ship Causes Kerosene Scarcity

PA1301032989 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 12 Jan 89

[Text] The oil refinery [not further identified] suspended operations on Monday due to a lack of crude oil. This will result in a noticeable kerosene shortage for the population. Ministry of Energy sources reported today that the lack of crude oil has been caused by a delay in the arrival of a Soviet ship. Even though the ship is expected to arrive within a few days, the refinery will not resume operations for 2 weeks. A catalytic cracker will be repaired during the 2-week period.

Finance Minister Presents 89 Draft Budget Bill

PA1301175389 Managua Radio Sandino in Spanish 1200 GMT 13 Jan 89

[Text] Finance Minister William S Hupper addressed the National Assembly yesterday and gave a detailed explanation of the 1989 draft general budget bill, which includes new fiscal policies, revenue ceilings, and measures the Nicaraguan Government intends to take to increase the number of taxpayers. The finance minister said the republic's overall budget amounts to 285,507,200,000 cordobas and that the government will continue to collect social service revenues while reducing public spending. He added that the ceiling on ordinary revenues will be set at 213 billion cordobas.

According to the finance minister, the government expects to increase the number of taxpayers during the 1st quarter of this year by incorporating cooperatives, individual producers, and informal businesses [negocios informales] into the system.

The draft general budget bill has been submitted to the Economy, Budget, and Finance Commission for suggestions and amendments by the various political party representatives, who will study the bill through 30 January.

Panama

Noriega Charges U.S. 'Aggression' at Seminar

PA1401011089 Panama City ACAN in Spanish 2246 GMT 13 Jan 89

[Text] Panama City, 13 Jan (ACAN - EFE)—General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces [FDP], said today that the Panamanian people and the forces supporting the regime "cannot resign until the year 2000" from the two "poles of power" in this country, the Presidency of the Republic and its military leadership.

In a speech in which he once again charged U.S. "aggression," Noriega closed the political-military seminar for 80 FDP captains. Special guests at this seminar included Colonel Javier Carrion, deputy chief of the EPS general staff, and other Nicaraguan officers.

In the declaration issued at the closing of the seminar, the captains repeated to Noriega their "oath of loyalty," and their determination "to close ranks next to him until final victory." They also said they are aware "of the threat hovering over" the general "for hoisting the flag of national dignity."

At the same time, the captains pointed out the error of those "who think that a change of commander in chief will change the course toward the final objective of total liberation in the year 2000." They were referring to those who are demanding the removal of Noriega from the FDP leadership.

The general denounced "the low-intensity war," and the "aggression" that he said is being waged by the United States against Panama and other small countries that "it cannot control."

Noriega also charged that U.S. officials are making frequent contacts with the Panamanian opposition, whom, he said, have "no backbone," as they yield to the demands of the U.S. State Department.

The general pointed out the presence of the Sandinist officers at the seminar and said that the FDP does not have to explain or hide the fact that the Panamanian captains receive political instruction, or have heard an account of another country under U.S. attack, such as Nicaragua.

The seminar was hosted by military officers, government officials, and leaders of the political parties that support the regime. Approximately 100 captains, practically all of those in the FDP, attended the closing ceremony that was also attended by Manuel Solis Palma, minister in charge of the Presidency.

According to the captains themselves, they will be the military leaders in the year 2000 when the canal is turned over to Panama, and the U.S. troops have pulled out of the isthmus.

When asked after the ceremony, Noriega once again refused to comment on whether he will be a candidate for president in the approaching 7 May elections.

Noriega Speaks at Closing of FDP Seminar

PA1401185489 Panama City CRITICA in Spanish 14 Jan 89 pp 2, 14, 15

[Speech by General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, FDP, at the closing ceremony of a seminar for FDP captains in Panama City on 13 January]

[Text] Honorable ministers of the constitutional government, attorney general of the nation, members of the Central American delegation, colonels of the Republic of Nicaragua, distinguished members of the political parties who were lecturers at this seminar, participants of the various programs of this seminar, gentlemen:

I honestly thought the closing ceremony of this seminar would be a domestic event. Your [unidentified Nicaraguan EPS representatives] presence here grants more prestige to this seminar, which is an occasion suitable for discussing domestic affairs and issues affecting our homeland.

A secretary at the FDP headquarters told me today that she just returned from a trip to a South American country where she found many Panamanian politicians asking politicians in those countries to help them play politics in Panama. This conflicts with the domestic climate this seminar portrays.

The climate at this seminar stands in contrast to the growing number of Panamanians who are traveling to the United States. Our politicians are seeking political guidance, political advice, and meetings with representatives of the outgoing and incoming U.S. Governments. They are doing that to decide whether [Hildebrando] Nicosia [leader of the dissident faction of the Authentic Panamenist Party] will stay here, or whether [Guillermo] Endara [leader of the Authentic Panamenist Party] will go there, or whether Mireya [Moscoso de Arias, Arnulfo Arias' widow] runs for the Presidency.

Our politicians are making these trips to find out the U.S. State Department's views on whether MOLIRENA [Nationalist Liberal Republican Movement] should support the opposition candidate or whether Mario Galindo [MOLIRENA member] is the most suitable candidate to run for the Presidency in Panama.

These trips go against the lifestyle of Panamanians. Panamanians live as men or as generations of men who grew up in the countryside or in low-income neighborhoods, where people discuss things in the shade of mango trees, in the town square, or by kicking and punching others after angry discussions. Panamanians who grew up in El Chorrillo, El Maranon, Rio Abajo, El Bamboo Lane [low-income neighborhoods] or Bethania [a middle-class neighborhood in Panama City], when it had 200 houses, in Colon Province or in La Playita, discuss things in a Panamanian way and without interference.

When someone raises a hand in these areas I have mentioned, he does it to fight and he does not let anyone interfere in his fight.

It seems that some Panamanians have been reincarnated. At the time the Republic was formed, some Panamanians requested foreign intervention when Manuel Amador G was running for the presidency. History shows us that the U.S. secretary of state at that time, or the U.S. president, told these Panamanians: If the United States interferes in Panama now, as you gentlemen are requesting, you must be prepared, because it will continue to interfere in Panama, and you will lose your own identity.

Gentlemen, it seems that we are witnessing the reincarnation of the traitors and of those who lack patriotic roots, who still have gelatinous backbones, and who continue going up and down the stairs to the offices of assistant secretaries of the U.S. secretary of state and his assistants. These traitors continue presenting reports on the Panamanian situation to those secretaries and assistants.

This morning I read a report from Washington which states that a former Panamanian president is making an appointment with the assistant secretary of an outgoing U.S. secretary of state to deliver his political views on what should be done in Panama and on how Panama should be treated in view of his experience as an overthrown president.

He has an appointment for the day after tomorrow — that is if the assistant secretary of the secretary has time to meet with him.

We see that we have a young homeland that has a promising future and ideological and personal differences. Our homeland has an essential element: its backbone, which gives shape to its existence. That backbone

is the backbone of those who do not have gelatin in their spines. The backbone of our homeland is not the backbone of those who have gelatin instead of a backbone.

As the FDP captains said, there is something in our homeland's backbone. The presence of that something is indisputable, unpostponable, and cannot be replaced, negotiated, or exchanged. That something is the homeland's dignity.

We may view things from different perspectives, and we may stand on any of the four cardinal points, and yet we will be unable to deny that the cardinal points converge at one, single point, which is the homeland's dignity.

Our work doctrine, which is based on experience and the needs and future tasks of our Republic, involves-...[changes thought]...and you may ask many people. We no longer have to explain or justify it [not further specified] before the foreign establishment or before foreigners, who, while not living in our homeland, want to set rules and work guidelines for us.

We need not explain the fact that members of our Defense Forces are participating in a political seminar to listen to the political-ideological theories of certain lecturers or parties. We need not blush or explain why we have invited members of the Nicaraguan Armed Forces here to tell us about the aggression they are facing, the situation in their strife-torn country, and their experiences in fighting the dirty war that they have learned how to wage one step at a time; a country where great sums of money...[changes thought] where great numbers of mercenaries and all the resources of drug trafficking were available to topple a government that had come to power with dignity.

We cannot overlook the fact that this armed corps has received political training—political training from the electoral tribunal. We cannot, must not, and will not regret having confidence in our mid-level leadership as political men, men with political aspirations, men with political experience, men with political futures, men with ideological concepts who, although they may not agree with all the positions the military takes, share a desire to defend the fatherland.

That is right and the reason for these seminars. These soldiers will never be confused. This mid-level leadership will never again defend concepts belonging to other social classes not advocating the defense of the Panamanian people, defense of the middle classes, defense of industrialists and businessmen who honestly and patriotically dedicate their time and investments to our fatherland, Panama.

In military history, the rank of captain has been the most important and romantic. A captain crossed the seas inside a barrel and arrived on the American Continent, crossed it, and discovered the South Sea; a Genovese captain, Columbus, followed his compass and discovered a much-sought and unknown world.

Captains wrote the history of military gladiators of the Spanish colony. Captains also embarked on a decolonization campaign against the Spanish Crown, which involved crossing the Andes on horseback and on foot. Captains began the training of lower-ranking leaders in armies and organizations.

Those who fail to find the most satisfaction and brightest outlooks and dreams as captains will have no opportunity to find them in other ranks. That is why the rank of captain, which you have, is a rank offered as the Greek vestal virgins were offered to the gods; that is the rank that you must offer to the fatherland.

I have insisted—and I am very pleased about this—that the topic of low-intensity war was discussed in this seminar. Low-intensity war is a purely North American term. However, we have asked: a low-intensity war for them? in their favor? or is it a low-intensity war against the peoples they wish to conquer? or is it a low-intensity war against the processes they cannot control?

As I said in my farewell speech to the military attaches of Peru, Argentina, and Mexico, here they had an opportunity to witness new and different low-intensity war tactics; not the kind of tactics contained in field manuals or instruction manuals. We want to have—and that is our professional work—to come up with a doctrine on the low-intensity issue, on low-intensity aggression, including the case of Panama; including the use of psychological aggression as a primary tool for destroying achievements; including in one of its chapters economic isolation and blocking logistical-supply mechanisms of the people; including the search for men with certain moral and mental characteristics that make them easy instruments and targets of treason and theft of classified material. that is, the corruption of man by man himself, which is more repulsive and more disgusting than the violation of human rights, because this is a violation of all human rights.

We have had the great opportunity at this stage—even though time has been short, as one of the speakers said—to learn that here, within the halls of the FDP, we have seen a more fully developed Defense Forces that are not the same ones that existed back in 1970; that are not the same ones that existed in 1968; that are not the same ones that existed in 1964; and that are not even close to the ones that existed in 1955. In today's FDP, the ideological concept, the doctrinal concept of man belongs to man.

We are among a long list of people who are no longer able to enter the United States because, ideologically, we are the enemies of the United States.

A well-trained captain, a fearless captain, a confident captain is a captain who will triumph, a captain that the fatherland will find in any barracks at any place, because that captain will not fail the fatherland when the fatherland asks for his unconditional help.

This rank is the example-setting rank because it is the rank immediately above the rank of subordinates; the rank in charge of the troops; the rank that is emulated by the troops. Soldiers are the reflection of their captain, and a captain is a reflection of his troops.

Within our ranks or military doctrine, we are proud of having captains who have brought glory and honor to the mother institution. These are the captains who we realize are examples. We emulated them and were trained with them. These are the captains who will last, who will be remembered.

This is why this rank of captain is the key rank in the formation of the men below and the goal of those on the way up. I remember an anecdote of General Omar Torrijos, who was referring to a person who later fell because of a moral mistake or confusion. He said: If we had dismissed him as a captain, we would have spared ourselves his treason as a colonel.

Gentlemen, I wish to point out that the hands of those who handle troops must be the cleanest hands; they must be the strongest hands; the most impressive hands; the flag-carrying hands bearing the prestige of the Defense Forces, because those hands, the heat of those hands, will guide the men who sleep in those barracks, think in those barracks, and fight in those barracks. [as heard]

We come from times in which men are politically persecuted because their concepts of history are diametrically opposed to the centers of power of the prevailing capitalism.

The men who are here: the lieutenants from the previous seminar; the second lieutenants, who just joined; and all the troops now have a new outlook on life. There is a new outlook on life, and we have made the necessary adjustments, which unfortunately—as the president said—we have been unable to do economically and administratively because the aggression has led us to continue feeling obliged to act—both economically and administratively—with the same traditional concepts as we did when the center of power graded us yearly to decide whether we passed or failed.

Therefore, we, in the conceptual development of man—who knows when his generation will have to lead; when his generation will have to assume the responsibility demanded by his fatherland—have made him go beyond the coldness of an armed man capable of establishing a record on the battlefield or on the artillery and infantry fields. We have made this man go beyond the coldness of a paratrooper, who knows when to jump and how to land. We have made him a man, a man's man, a Panamanian man. A man who knows how to deal with our vegetation; a man who will not improvise and cannot be improvised; who can no longer be dependent on a center of power that has shown how it can attack, destroy, and starve a people to death. [applause]

When these men are called by the generational trenches of history to account for their time in the FDP, they will not say that they were fooled; they will not be able to say: I did not know. They have been duly and sufficiently educated, and they will not be misled to believe that communism or Marxism is the main reason for the economic aggression. They will not be led to believe that they cannot talk to a certain breed of people because they represent a leftist line. These concepts have been overcome by our FDP, which has the capacity and intensity to sit down to listen, to question, or to differ from the concepts of a Marxist, a conservative, a rightist, or a leftist.

That is the concept the fatherland needs to reach the 21st Century—not the concept of ideological dependency, and not the concept of counterideological information [informacion contraideologica].

This new fatherland will also find—within the concepts of our doctrine, which I will not talk about here today—that there are two centers of power for the Panamanian people. The Panamanian people, our society, honest men, industrialists, businessmen, and ethnic minorities living here cannot give it up until the year 2000. These [centers of power] are: the presidency of the Republic and the FDP commmand. [applause]

Commander in Chief Addresses Media on Elections
PA1401033089 Panama City Telemetro Television in Spanish 2344 GMT 13 Jan 89

[Text] General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces [FDP] today made his first statements to the media in 1989. He commented on the national and regional situation.

[Begin recording] [Reporter] What is the significance of this year's elections in the Republic of Panama?

[Noriega] First of all, the Electoral Tribunal must comply with the constitutional mandate. It is a constitutional mandate and also an exercise in self-determination by the Panamanian nation.

[Reporter] Does the declaration by the FDP captains mean that the FDP reiterates its position in defense of Panama's dignity and sovereignty?

[Noriega] It is a clear message saying that our military system, our military institution is based on doctrine and principles that—unlike other military institutions—are not hidden in the commander's desk. Our principles are public and belong to the Panamanian nation, because from now to the end of the 20th century it is our main task to remain united with those who follow the path of dignity. Many will stay behind, traitors will always be traitors; however, the majority of the Panamanian people must make it to the early years of the 21st century.

[Reporter] Does this mean that the struggle to the year 2000 will be a hard one?

[Noriega] Well, this is is a concept worthy of analysis. Bolivar and Peron have already warned about it. We see that the great analysts and leaders of history have already predicted that as the end of the 20th century approaches, conflicts will continue to unfold in various latitudes of the American Continent.

[Reporter] You have emphasized the low-intensity doctrine. What is your message to governments and armies in other countries?

[Noriega] You see, each... [changes thought] the low-intensity conflict depends on the level of aggression and the attention that the low-intensity conflict may draw. A low-intensity conflict against Argentina in the Malvinas Islands can never be the same as one against Panama in the Canal Zone.

[Reporter] What is your message to the government of President-elect George Bush?

[Noriega] None.

[Reporter] What do you think about the U.S. attitude during the recent Panama Canal Commission's meeting in Houston?

[Noriega] As usual, it is regrettable. It is regrettable because it violates the Torrijos-Carter Treaties. It is absolutely outrageous and does not help the United States.

Palma, Noriega Attend Cuban Embassy Reception
PA1301141589 Panama City Televisora Nacional in Spanish 2300 GMT 12 Jan 89

[Text] On the occasion of the 30th anniversary of the Cuban Revolution led by Dr Fidel Castro, the Cuban Embassy in Panama last night hosted an elegant reception. Well-known local figures and guests of honor, diplomats, government officials, businessmen, industrialists, bankers, labor leaders, and leaders from various sectors of the country attended. Cuban Ambassador Lazaro Mora welcomed as his guests of honor to this grand event President Manuel Solis Palma and members of his cabinet, as well as General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, who was accompanied by General Staff members. They came to salute the Cuban anniversary.

Assessing Cuba's liberationist activities on the 30th anniverary of the attack on the Moncada Barracks [as heard], Ambassador Mora noted:

[Begin recording] This is a day of celebration for the Cuban people. Moreover, it is a day of celebration for the peoples of Latin America. It constitutes a big celebration for the democratic and progressive movement of the socialist countries. We are celebrating the 30th anniversary of the triumph of the Cuban Revolution. Cuba was the first Latin American country to break the ties of dependence on U.S. imperialism. Our long proximity to the United States had fostered a geographic fatalism. It was thought impossible that a small country in Latin America, considered to be the U.S. backyard, could really reaffirm its independence and sovereignty.

These have been 30 years of struggles and victories, yet the victories have been major ones for the Cuban people. We are celebrating this anniversary with great joy and faith in victory. We are not just celebrating it in Cuba, but just about everywhere, particularly in Latin America. The Cuban celebration is also a celebration of the Latin American peoples. The Latin American peoples' solidarity has a lot to do with the successes . . . [interrupted in progress] [end recording]

Representatives on Withdrawal From PCC Meeting
PA1301131689 Panama City Telemetro Television in Spanish 2300 GMT 12 Jan 89

[Communique of the representatives to the Panama Canal Commission, PCC, Board of Directors "released by the Foreign Ministry" in Panama City; date not given]

[Text] 1. Panama's representatives to the PCC Board of Directors and its representative to the joint committee flew to Houston, Texas to attend the Board of Directors' meeting scheduled for 11 and 12 January 1989.

2. The Panamanian representatives once again demonstrated this country's interest in keeping the PCC and its Board of Directors out of the political situation that exists between Panama and the United States.

3. The Panamanians decided to attend this meeting to ensure compliance with the Torrijos-Carter Treaties, because they understood Mr Juan Sosa would not attend. The United States insists on inviting Mr Sosa as Panama's so-called ambassador and is thereby irresponsibly politicizing the handling of Panama Canal affairs.

4. When the Board of Directors meeting began with Mr Juan Sosa in attendance, the Panamanian representatives went on record as protesting Mr Sosa's presence because he does not represent the constitutional government of Panama headed by Manuel Solis Palma. The representatives also said they agreed to meet with the U.S. representatives without Mr Sosa. Therefore, they immediately left the meeting.

5. However, the Panamanian representatives submitted to William Gianelli, chairman of the PCC Board of Directors, a document outlining Panama's stance regarding all the items on the agenda that were reviewed during this meeting.

6. Here are the salient topics mentioned by the Panamanian representatives, that will appear in the meeting's records: Panama's stance on the proposed budget for the 1991 fiscal year; matters regarding personnel policy due to the growing participation of Panamanians in executive positions; a formal protest over the appointment of

a U.S. citizen, instead of a Panamanian, as chief the PCC press and public relations office; the well-founded request that the PCC prepare an improvement and maintenance plan for the 1989-2000 period; and Panama's reaffirmation of its protest over the measures the United States unjustifiably imposed on this country, in direct violation of the Torrijos-Carter Treaties.

7. Finally, the Panamanian representatives reiterated their decision and interest to participate in the Board of Directors meetings within an instututional framework. They expressed the Panamanian people's unyielding decision that the United States fully comply with the Torrijos-Carter Treaties signed on 7 September 1977 at the OAS, in the presence of representatives and dignitaries from all Latin American states.

Clandestine Station Airs Delvalle Message

PA1701044389 Hamburg DPA in Spanish 0356 GMT 17 Jan 89

[Text] Panama City, 16 Jan (DPA)—The clandestine television station La Libertad today resumed broadcasting somewhere in Panama. The station aired a message from ousted President Eric Arturo Delvalle and lashed out at General Manuel Antonio Noriega, Panama Defense Forces commander and the country's strongman.

The station broadcast on channel 7, which is not assigned to any station, at 2000 for 15 minutes.

The program was presented by Panamanian announcer Bosco Ricardo Vallarino, who has lived in Washington for several months because the government has been allegedly persecuting him. He has now covertly returned to his country.

Delvalle said that in his conversation with U.S. President Ronald Reagan and his successor President-elect George Bush, the conclusion was reached that "under no circumstances would the U.S. Government recognize a de facto government in Panama." Delvalle, deposed by the Legislative Assembly on 26 February, said the U.S. Government "does not intend to recognize a government resulting from electoral fraud in the May 7 elections either."

Delvalle also referred to a letter he sent to Gen Noriega proposing negotiations so Panama can recover peace, tranquillity, and prosperity.

Government Adopts Plan To Pay Workers Bonus

PA1401201889 Panama City Televisora Nacional in Spanish 2300 GMT 13 Jan 89

[Text] The executive branch has accepted a proposal from the Coordinating Board of State Agencies' Unions for the payment of the 13th-month bonus, which has been owed to public servants since last year.

Commenting on the government employees' proposal, Mauro Murillo, a government employee leader, stated the following:

[Begin Murillo recording] At a cabinet meeting on 5 January, the government approved our proposal, a proposal drawn up by a technical commission made up of representatives from the Comptroller's Office, the Finance Ministry, the Banking Commission, and the Coordinating Board. This commission drafted a proposal on how these negotiable instruments would work. The 13th-month bonus will be paid using I.O.U. checks [cheques pagares] that the Comptroller's Office will issue in the next few weeks.

Everything will depend on the information that each centralized and decentralized agency will send to the Comptroller's Office to draft these I.O.U. checks. These checks will be redeemed through drawings to be carried out by the Comptroller's Office. One of these drawings will be held in April and approximately $2.5 million in checks will be redeemed then.

The next drawing will take place in October, when approximately $5 million will be redeemed, and the other drawings will be held in April 1990, October 1990, and the last one in April 1991. In other words, there will be five drawings.

This is a formula we think will help the government solve the problem of the payment of the 13th-month bonus. If this formula works.... [changes thought] We think it will work because the employees will be able to use these I.O.U. checks in local businesses and exchange houses. In addition, we will also suggest other ways in which workers can use these checks to solve their problems.

Consequently, the issuance of these checks will depend on information that each state agency must supply to the Comptroller's Office as soon as possible.

The Comptroller's Office issued bulletin no 1 on 11 January asking each state agency to supply the needed information. Therefore, each association, ministry, and directorate must supply this information to the Comptroller's Office as soon as possible so that these checks can be issued to meet the balance owed to public employees. [end recording]

Commerce Minister on Expenditures, Revenues

PA1301200189 Panama City Circuito RPC Television in Spanish 2300 GMT 12 Jan 89

[Text] The national government must make additional adjustments to its expenditures, Commerce and Industries Minister Mario Rognoni said today.

[Begin Rognoni recording] The national government is compelled to make additional adjustments to those it has already made because it can only count on its tax revenues. In this regard, the government has up to now

avoided making public investments; avoided certain expenditures that have been able to be postponed; and generally postponed the majority of operational expenditures. However, this has led to the deterioration of essential basic services such as health, housing, road repair, education, and so on. Therefore, we must plan on making additional adjustments. In this regard, we have to reach an agreement—President Manuel Solis Palma has emphasized this point—that before dismissing employees or reducing the payroll, we must be sure there are no retired workers, no sinecures, and no employees collecting two paychecks on the government's payroll. Once this situation is cleared up, we can begin studying new adjustments.

How long will this cleanup take? It will depend on the administrative capacity of top-level government officials, who are currently reviewing each institution to detect these types of situations on the government's payroll.

There must either be an increase in revenues or a decrease in expenditures. Not many more expenditures can be reduced. The greatest expenditure we have is the payroll. However, there can be an increase in revenues. We are not the most efficient government in collecting import duties. Many contraband goods are seen on the streets and in some stores. We are not very efficient in collecting taxes such as the sales tax. We have to be more efficient in collecting property taxes, and we must collect taxes from those people and businesses who are not paying their taxes to the government because of the U.S. sanctions.

I believe that if we are more efficient in collecting taxes and if we are able to increase revenues, the adjustments to our expenditures will be minimal. [end recording]

Columnist Criticizes Government on Tax Collection

PA1201170789 Panama City MATUTINO in Spanish 12 Jan 89 p 4

[From the "Moyolandia" column by Harmodio Icaza: "Thursday's Notes"]

[Text] The measure that attempts to sequester and sell vehicles that belong to Panama Canal Commission employees because the U.S. Government has retained tax payments to the Panamanian Government is even unconstitutional—especially when some of these employees have offered to pay their taxes a second time and the Finance Ministry has not accepted the money. People ask themselves: Is this not armed robbery?

FENASEP Urges Payment of 13th-Month Bonus

PA1301030589 Panama City Telemetro Television in Spanish 2300 GMT 11 Jan 89

[Text] Hector Aleman, president of the National Federation of Associations of Public Employees [FENASEP], says the government has pledged to pay the 13th-month bonus in April. Nevertheless, he said, technical problems are causing delays that the government must overcome to end the prevailing uncertainty.

[Begin recording] [Aleman] The government has pledged to pay the 13th-month bonus due in December and the pending 25 percent, as agreed at our 7th meeting. What I do not understand is why technicalities are hindering payment of the 13th-month bonus when it was agreed with the government and approved by the cabinet council that payment would be made through negotiable checks redeemable as of April.

I am making this statement now because the pledge is not being fulfilled, which is deepening the uncertainty of state employees—an uncertainty that I share. [end recording]

Aleman urged the government to normalize bi-weekly salary payments saying the delays are not contributing to a solution of the crisis.

[Begin recording] I have clearly suggested to the government that it end the uncertainty by specifying when salaries will be paid, and thereby remove the uncertainty that occurs every 2 weeks.

Bi-weekly salary payments must be normalized as a condition for achieving peace among government workers. I always have, and always will maintain this position, which I expressed during the most recent talks with the government. [end recording]

Government To Provide Support for Elections

PA1301150989 Panama City MEDIODIA in Spanish 12 Jan 89 p 10

[From the "Political Debate" column]

[Text] After a presidential advisory commission meeting in which the support of government agencies, essential for the 7 May elections, was discussed, it was determined that the Electoral Tribunal will require $6 million in cash for these elections, in which more than 1 million citizens will elect a new president, vice presidents, 67 deputies, 505 corregimiento representatives, and 11 municipal councilmen.

It was reported yesterday that the government will offer the use of its printing plants, vehicles, and computers to the Electoral Tribunal to lower the expenses that the treasury will have to defray.

The government spent an estimated $25 million for the 1984 elections. However, because of the economic crisis, the Electoral Tribunal has requested $13 million for the coming elections. According to the advisory commission, this amount will be trimmed down to $6 million with the government agencies' support.

COLINA Presents Platform, PRD Candidates

PA1301182089 Panama City Telemetro Television in Spanish 2300 GMT 12 Jan 89

[Text] With the conspicuous absence of the Labor Party, PALA, the National Liberation Coalition, COLINA, held a news conference this afternoon to present the fundamental principles of their political organization.

It was asserted that the parties that form COLINA—the PRD [Democratic Revolutionary Party], PALA, the Republican Party, the Revolutionary Panamenist Party, the People's Party, and the Democratic Workers Party—will struggle for the fulfillment of the Torrijos-Carter treaties in order to achieve the country's total integration.

On the subject of the economy, COLINA states that it will establish an economic development plan that will break away from the present unilateral dependence and modernize the economy. It will also endeavor to get all economic sectors, including the canal area, to participate actively in the economic development plan.

Regarding the foreign debt, COLINA's platform stresses that it will strive for changes in the terms imposed by creditors. The changes sought would include that bilateral negotiations be replaced by a collective negotiation with all Latin American debtors. Also, the criteria to be used in these negotiations is that our countries cannot pay their foreign debt at the cost of their development.

COLINA's platform also states that COLINA will promote job programs to satisfy the people's need for jobs. It will also endeavor to guaranteee existing labor rights, especially those dealing with job stability. COLINA will also develop well-defined nourishment, housing, health, social security, education, transportation, culture, sports, and recreation programs for Panamanians, and special attention will be given to low-income groups. An educational program to support the family's well-being and stability will also be promoted.

At the news conference, PRD Leader Darinel Espino stated the following:

[Begin Espino recording] All the parties that are in COLINA have a very difficult and tight schedule, as we have to present our candidates by 7 February. We are working together and this document was put together by a joint commission in which all the parties participated. The coalition will continue to work. It will study all the candidates who were proposed by the parties and together we will choose our final ticket according to conditions that have already been established by the coalition. [end recording]

At the news conference, it was reported that Carlos Duque, Ernesto Perez Balladares, and Tomas Gabriel Altamirano Duque are the three current candiates, proposed by the PRD for the presidential slate, who will run in the 7 May elections. PRD President Carlos Duque commented on the coalition's present situation:

[Begin Duque recording] The political platform that was read here today is the result of work done by a joint commission. We expect to continue the work done by the COLINA parties and implement our platform.

[Reporter] Who is to head the coalition's ticket and how do you see the situation from the viewpoint of PRD leaders versus PALA's interests?

[Duque] An agreement will be reached. We will receive proposals on how the ticket is to be formed from the different parties and we will work together to determine how the coalition ticket will be finalized. We have stated several times that the PRD will propose a party member, one that we believe will have all the requirements to head the ticket within the framework of national liberation, sovereignty, total independence, and compliance with the Torrijos-Carter treaties.

[Reporter] The meeting has left a feeling that there are some problems between PALA and PRD. Would you comment?

[Duque] There is no problem. It is matter of methods. As you know, all political parties are in a race that leaves us with little time. PALA had a meeting that had been scheduled previously. We have to finish details about the methods we use from now on. I do not believe there is any problem or split among the COLINA parties.

[Reporter] Did PALA apologize for not attending this meeting which all the other COLINA parties attended?

[Duque] PALA's CEN [National Executive Commission] and its political commission are presently meeting to analyze the method or rules of the game for the forthcoming meeting. Here we have just read the document. This meeting was only to present the platform prepared by all the parties. All the parties will sign this document when we present it to the Electoral Tribunal. [end recording]

Government Names Military Attache to Argentina

PA1301185289 Panama City Circuito RPC Television in Spanish 2300 GMT 12 Jan 89

[Text] The executive branch has issued a decree appointing Lieutenant Colonel Carlos Arosemena King as the military attache to the Panamanian Embassy in Argentina.

Prior to this appointment, Lt Col Arosemena King served as G-1 executive officer in the Panama Defense Forces, after serving as commander of the 11th Military Zone, San Miguelito District, Panama City.

PDC Legislator Reports Coin-Minting 'Scandals'

PA1201183589 Panama City Circuito RPC Television in Spanish 2300 GMT 11 Jan 89

[Statement by Christian Democratic Party (PDC) Legislator Guillermo Cochez; date and place not given—recorded]

[Text] So far we have uncovered three coin-minting scandals. First, it was the minting of the Calgary Olyumpic Games commemorative coins. [Finance and Treasury Minister] Goodin said the signature of his predecessor had been forged. If we had not told him about the Seoul Olympics coins, he would not have volunteered the information on those either; however, this was also uncovered. Minister Goodin sent these reports to the General Attorney's Office, but we understand nothing has been done about it.

Following all of this, we reported the minting of 12 million balboas' worth of coins. These, however, were of fractional value—not the commemorative type—with a face value of 6 million balboas and dated 17 November.

Now we have uncovered that in 1988, the Panama Government or a forger ordered the minting of coins by the same German company that minted the Calgary and Seoul coins—the FRG's Emporium Hamburg. These coins are to commemorate Baron Manfred von Richthofen, the Red Baron, and are for 1, 5, 25, and 100 balboas. There is also a 1-balboa coin to commemorate Dr Martin Luther King. There are coins to commemorate—listen carefully—John F Kennedy, and their face values are 1 balboa; 200 balboas, gold; 1,000 balboas, gold; and 1,500 balboas, platinum. The platinum coins—200 were ordered—have a market value of 7,000 balboas each. The gold coins ordered were: 300 of the 1,000-balboa coins, 50,000 of 1 balboa, and 10,000 of 200 balboas. These last ones alone have a face value of 2 million balboas.

This proves that in Panama, either the finance minister does not know who is negotiating these things, or he is simply covering up. Sooner or later, all these scandals would have surfaced; as you can see, these coins are advertised in international magazines.

The most serious thing is that the authorities are full of nationalism; however, as you can see here on the back of this coin displaying the Panamanian shield, there is Kennedy's face and the U.S. Statue of Liberty. Like Kennedy's [as heard], the coin has the following saying: He Lived and Died for the Peace and Liberty [El Vivio y Murio por el Paz y la Liberted]. In other words, not even correct Spanish is used.

I really believe we are faced with a group of people who are trying, whatever way possible, to become wealthy using government resources. Perhaps, because of their influence—either because they may be legislators or ministers or whatever— these people cannot be jailed. Whoever ordered these coins, which were minted without the minister's authorization, is stealing from the Panamanian state and is therefore stealing from the Panamanian people.

Weekly Review of Political Situation

PA1201153989 [Editorial Report] The following is a review of material from the Panamanian and regional media related to the current political situation in Panama. This review covers the period from 3 to 9 January and includes some items that have been processed in fuller form.

Relations With the United States

The 25th anniversary of the 9 January 1964 incident during which 23 Panamanians were killed in a confrontation with U.S. troops received more extensive media coverage than in years past. Panama City LA REPUBLICA on 8 January published an eight-page section containing reports, articles, and photographs of the 9 January events. The section opens with an unattributed article entitled: "The Immolation: Challenge to U.S. Colonialism and Inhumanity." The article states that the 9 January 1964 events "sealed forever the defeat of Goliath." Panama City CRITICA on 9 January also published an eight-page supplement entitled: "Panamanians Shot by Murderous Bullets of the Yankee Army." It included photographs of the incidents and reports published in Panama City newspapers of that time.

In a message published by Panama City LA ESTRELLA DE PANAMA on 9 January, Manuel Solis Palma said that "the profound significance of the deed of 9 January 1964 was that it meant a full identification of our nation with the goals of national liberation and absolute sovereignty that the Panamanian people have upheld throughout their history."

In statements reported by Panama City ACAN on 9 January, Manuel Solis Palma said that the commemoration of the 25th anniversary of the 9 January events was a "warning to, not an aggression against" the Bush administration.

In the official ceremony to mark the anniversary, Lieutenant Colonel Arnulfo Castrejon, who spoke on behalf of the Panama Defense Forces (FDP), said that "this generation of officers, of young captains, will also not sell out their beloved country for the millions of dollars that the U.S. Government is accustomed to offering." He warned that because of the May 1989 elections, "the Americans will use all their economic, political, informational, and defamatory might to achieve their dirty goals and place their docile servants in power."

LA REPUBLICA on 6 January reported an event held by the progovernment Labor Party (PALA) to commemorate the 9 January anniversary. The meeting was held to "pay tribute to those who died for the fatherland" and was attended by Manuel Solis Palma and Gen Manuel Antonio Noriega.

In an event in San Miguelito District on 9 January, which was covered that same evening by Panama City Domestic Service, Manuel Solis Palma said: "Today we saw a nation commemorate a glorious effort. This is our response to the United States. Following 1 year and 9 months of aggression, we are not worn out."

Panama City media also gave substantial attention to U.S. Naval maneuvers on 5 January, which, according to an FDP communique, had not been cleared in advance with the Panamanian Government. According to the communique, broadcast on Panama City Televisora Nacional, "the FDP vigorously protested to the U.S. representatives what it considers an intimidating, provocative, and inconsiderate action against Panamanian civilians and local and international merchant fleets." Manuel Solis Palma, minister in charge of the Panamanian presidency, commented on these maneuvers in an interview broadcast by Panama City Telemetro Television on 6 January, stating that "Panama's rights are constantly violated because of the imposition of strength and power."

Panama City media also continued to cover the controversy over the regime's decision to carry out attachment proceedings against Panamanian employees of U.S. Government entities in the Panama Canal Area for failure to pay income taxes being withheld by the employing U.S. Government organizations. In a full-page communique published by LA ESTRELLA DE PANAMA on 3 January, organizations of Panama Canal Commission employees charged that both the United States and Panama are violating the canal treaties with regard to the income tax payments. They stated that the "obvious violation of the Panama Canal Treaties by the U.S. Government" should have been followed by diplomatic actions by the Solis Palma government. Instead, they added, Panama is taking action "against Panamanian citizens, whose lives, honor, and property should be zealously protected by the authorities." On the related issue of tax clearance certificates, which can be obtained only after all taxes have been paid, a report in LA ESTRELLA DE PANAMA on 4 January notes that "the Executive Branch has established that the presentation of a tax clearance certificate will be necessary" to obtain 1989 license plates. In statements over Panama City Telemetro Television on 4 January, Deputy Canal Administrator Fernando Manfredo responded to Panama Canal employees' concerns by saying that "the situation is complicated because the solution is not in our hands." Commenting on the Panamanian measure, LA ESTRELLA DE PANAMA on 3 January said in an editorial that "the Panamanian people must not be doubly hurt: by the U.S. aggression on one side and by the tax measures on the other. The requirement of a tax clearance certificate to obtain car plates this year is an inadequate and inadvisable measure."

In another development related to relations with the United States, Manuel Solis Palma announced over Televisora Nacional on 5 January the names of the members of a Panamanian delegation that will attend a 9-13 January meeting of the Panama Canal Commission Board of Directors in Houston. According to a report in the 6 January MATUTINO, the Panamanian delegation had not attended the previous two sessions because "the U.S. Government unilaterally changed the site of the meetings and prevented the granting of U.S. visas to the four delegation members." It added that according to a reliable source, William Gianelli, chairman of the Board of Directors, has promised that he will not invite "Juan Sosa, former Panamanian ambassador to the United States," or U.S. diplomats to the meeting, "something that indicates that the United States has accepted the argument that political issues should be left out of the Canal Commission's working sessions."

During this reporting period, Panama City newspapers continued to publish political cartoons reflecting the general critical tone toward the United States.

Panama City LA REPUBLICA on 5 January carried a cartoon showing a Panamanian flag on top of a hill named "Dignity." Also on the hill are a sign stating "1989: The Year of Definition, The May Elections" and a man holding a sign that reads "Panamanian Democracy." The man is shown hitting Uncle Sam on the head while saying: "...Don't meddle in this." LA REPUBLICA on 6 January carried a cartoon with a Panamanian flag on top of a hill named "Dignity"; a hospital bed with a sign saying "crisis"; and a man hooked to an intravenous feeder that is labeled "elections" who is trampling Uncle Sam. Panama City CRITICA on 5 January carried a cartoon of President Reagan holding a globe with bloodied hands while saying: "You seem to forget: What I do goes against the world and everyone in it."

This last cartoon, a reference to the U.S. downing of Libyan planes on 4 January, was representative of Panamanian reaction to this incident, which received substantial media coverage. The official government reaction was stated in a Foreign Ministry communique broadcast by Televisora Nacional on 6 January. The communique condemned the U.S. "attack" and noted that it occurred as military maneuvers, which had not been coordinated with Panama, were being staged at the Pacific entrance to the Panama Canal. Also referring to the Libyan incident, the 4 January LA REPUBLICA editorialized that President Reagan "has promoted an open warlike policy to impose his measures on various countries" and "he has also exercised brutal aggression against Panama without being able to defeat the liberation struggle we are waging."

Panama City CRITICA on 5 January published an editorial on the U.S. "aggression against Libyan sovereignty and self-determination." The editorial ended by warning: "We Panamanians must be alert."

LA REPUBLICA's "Lancer" column by Mustafa on 4 January commented that "Reagan the lameduck wants to begin a war he will not be able to end because his presidential term ends on 20 January." Regarding Panama, the same columnist stated that Bush has said he will continue the sanctions against Panama just to keep Reagan quiet, but in reality "Bush is more intelligent than Reagan and knows that the only way to keep peace in Latin America is to change the policies with Latin America's nations." In Panama City MATUTINO's "Let the People Judge" column on 6 January, Ricardo Lince stated that Reagan wants to leave a heated international situation so "Bush will have to maintain a warmongering policy."

Also commenting on the downing of the Libyan planes was Luis Gaspar (Toty) Suarez, president of the Revolutionary Panamenist Party (PPR) and a figure whose several visits to Libya have been noted in the media. A CRITICA report on 6 January quoted Suarez, who was in Havana attending the 30th anniversary of the Cuban revolution, as saying: "We are willing to give any support to the glorious Libyan people and their leader." He also told the PPR members to "remain on alert."

Relations With Other Countries

On recent problems with Costa Rica, Panamanian newspapers and radio and television stations have reported reaction to statements by General Manuel Antonio Noriega during his 28 December visit to the Costa Rican border area. Panama City Circuito RPC Television on 4 January broadcast an interview with Panamanian Deputy Foreign Minister Jose Maria Cabrera, who said "recent incidents in the border area have been somewhat distorted by the media" and "they do not reflect the reality of friendly and fraternal relations between our two peoples and the good relations between the two governments." Miguel Yamuni, Costa Rican ambassador to Panama, was interviewed the same day by Circuito RPC Television and expressed agreement with Gen Noriega's statement that "there has been a lack of coordination between the authorities of both countries." CRITICA on 3 January carried a banner headline quoting Costa Rican Security Minister Hernan Garron as stating that "we do not have any friction with Panama." However, in an editorial on 29 December, the San Jose newspaper, LA NACION, criticized "Gen Manuel Antonio Noriega's audacity and disrespect for Costa Ricans." It added that "Noriega's objective is the May 1989 elections in Panama. To prepare the way, he must first discredit his critics abroad. Those at home he expels or silences."

Although approved by the Legislative Assembly at the end of December, the trade agreement signed with the USSR continued to receive coverage. In an interview broadcast on Panama City Domestic Service on 3 January, Democratic Revolutionary Party (PRD) legislator Alfredo Oranges said that people should not fear that a foreign ideology will enter the country through trade relations and stressed that Panama can "profit" from these relations. Panama City MEDIODIA on 3 January reported that well known businessmen now in the government and the opposition had promoted this trade agreement when a delegation toured the USSR in 1978 to improve trade ties. The report quoted opposition legislator Marco Alarcon of the Authentic Panamenist Party (PPA) as stating that the establishment of a Soviet trade office will only be used as a "Soviet espionage center and to promote socialist infiltration in Panama." In statements broadcast over Panama City Domestic Service on 6 January, Luis Barletta, executive director of the Panamanian Foreign Trade Institute, said "the Panamanian people must be reassured that we will have no problems in our relations with the USSR," and Barletta noted that "we have to develop new, nontraditional products and nontraditional markets, such as those of the USSR and CEMA."

Ties with Cuba were also noted by the media during this reporting period. All Panama City newspapers and television stations carried reports on the cooperation provided by two Cuban Health Ministry officials, who, "at the request of the Panamanian Health Ministry," provided technical advice on the Aedes Aegypti mosquito problem which threatens to cause a dengue epidemic in the country.

Visits by Panamanian personalities to Havana the 30th anniversary of the Cuban Revolution were also reported. In an interview carried by Panama City Circuito RPC Television on 5 January, Saul Quiros, press secretary of the National Federation of Associations of Public Employees (FENASEP), was asked about speculation regarding FENASEP Secretary General Hector Aleman's trip to Cuba and about whether there is any agreement with Cuban labor leaders. Quiros replied that Aleman was invited by the Central Organization of Cuban Trade Unions to attend the 30th anniversary of the Cuban Revolution and that Aleman was sent to represent the Panamanian workers "because there is solidarity and ties between us as workers." According to a report aired by Havana Tele-Rebelde Network on 7 January, San Miguelito Mayor Balbina Herrera visited Cuba as a guest in the 30th anniversary festivities. In recorded statements, she said that Panama "has been able to resist despite all the predictions the Americans made that we were only going to be able to last until the end of 1988." However, Panamanian media have thus far not been observed to report on her trip to Cuba.

On 9 January, Televisora Nacional broadcast a 25-minute documentary on the "U.S. aggression against Panama" that was produced by the Cuban Cinematographic Art and Industry Institute. The documentary opens with a photograph of Manuel Antonio Noriega and includes film clips of speeches by General Omar

Torrijos and statements by Manuel Solis Palma and Noriega. It stressed the "U.S. promotion of the destabilization of Panama" and its support of "the oligarchy" through the Civic Crusade. It concluded with clips of the Panamanian Dignity Battalions and Noriega.

In an editorial on 4 January, CRITICA lauded Venezuelan President-elect Carlos Andres Perez' decision to invite Cuban President Fidel Castro to his inauguration, a decision CRITICA said was supported by the Venezuelan Christian Democrats. CRITICA concluded by noting that the "pro-Yankee opposition in Panama" should learn from the Venezuelans.

Confirming the Panamanian regime's efforts to expand its ties with other countries, LA ESTRELLA DE PANAMA reported on 6 January that in a meeting with Panamanian ambassadors, Manuel Solis Palma said that "Panama will continue to maintain commercial and diplomatic relations with all the countries it desires and that, far from limiting these relations, the country will strengthen them, whether or not its relations with the United States improve in the future."

Internal Political Developments

As the 7 February deadline for nominating candidates for Panama's May election approaches, both proregime and opposition parties have begun to make known their electoral alliances and presidential hopefuls.

CRITICA on 6 January reported the establishment on 5 January of an alliance of progovernment parties "to defeat imperialism." The parties in the "National Liberation Coalition (COLINA) are the PRD, PALA, the Liberal Party, the Republican Party, the Revolutionary Panamenist Party, the People's Party, the Democratic Party of the Workers, and the National Action Party." In a report in Panama City MATUTINO on 9 January, PRD President Carlos Duque is quoted as saying that "the political group is not composed of losers, and the slogan will be: COLINA or Colony." He also said the COLINA presidential candidate should be a PRD member and "an authentic Torrijist." Panama City ACAN reported on 6 January that "during the meeting of the top leaders of the parties forming the new alliance, the possibility of having Gen Manuel Antonio Noriega as the COLINA presidential candidate was emphasized." ACAN added that Carlos Duque said that "Gen Noriega represents the dignity of a nation. I believe he meets the conditions to be president." In an editorial on 7 January, CRITICA praised the establishment of the alliance, stating that COLINA will go to the polls to contribute to solving the situation caused by "the sinister alliance of the imperialists and the half dozen traitors being protected by the State Department."

On the opposition side, the leaders of the Jorge Pacifico Adames faction of the Authentic Panamenist Party (PPA), the Christian Democratic Party (PDC), the Nationalist Liberal Republican Movement (MOLIRENA), and the Authentic Liberal Party (PLA) issued a communique on 3 January announcing that they recommended that their parties participate in the May 1989 elections.

The opposition parties' decision to participate in the May elections elicited comment from the media during this reporting period. Panama City LA ESTRELLA DE PANAMA editorialized on 8 January that the elections "are the only path Panamanians have left to solve to a great extent the grave crisis affecting us." In a communique published by LA ESTRELLA DE PANAMA on 8 January, the Panamanian Bishops Conference commented on the opposition parties' decision to participate in the elections. It said that "the electoral path must not only be a political game but an opportunity to review the plans and programs of the parties so as to give concrete replies to the urgent needs of the people. We believe that only in these terms will the electoral path be a path to reconciliation and a real solution to the lengthy social, political, and economic crisis oppressing us."

Circuito RPC Television on 4 January reported that the opposition National Civic Crusade (CCN) announced that "even though there is no freedom of expression, assembly, or protest in the country," the people should participate in the elections and the opposition should go to the elections united. However, the CCN said that "any CCN leader who wants to run for office must resign from the CCN."

In an interview broadcast by Circuito RPC Television on 5 January, PDC leader Guillermo Cochez said that the opposition has not only agreed to participate in the elections, but to "launch a single candidate, chosen by consensus among all the opposition parties. So far, no meetings have been held among the democratic opposition parties to choose a slate."

During this reporting period, the opposition parties have proposed the following names for consideration as presidential candidates:
PDC: Ricardo Arias Calderon
PPA and PLA: Guillermo Endara
MOLIRENA: Gilberto Arias, Ruben Dario Carles, Mario Galindo, Julio Linares, Abraham Pretto, Guillermo Quijano, and Jorge Ruben Rosas.

According to the 7 January LA ESTRELLA DE PANAMA, the Jorge Pacifico Adames-Guillermo Endara faction of the PPA and the PLA are also interested in proposing Mireya Moscoso de Arias, PPA leader Arnulfo Arias' widow, as a presidential candidate, but she has declined the offer.

Regarding the PPA faction led by Hildebrando Nicosia, there have been no reports that this faction has been included in any opposition efforts to achieve a single presidential candidate. In statements published by LA ESTRELLA DE PANAMA on 5 January, Nicosia said that "any alleged political alliance without the approval of PPA sovereign bodies is another maneuver of oligarch

clans, which do not look after the people's interests." However, PPA legislator Antonio Arias, claiming to speak on behalf of the "Arias family," described Nicosia's group as one without any followers.

Another opposition party that has made known its position on the May elections was the Popular Action Party (PAPO). In an interview broadcast by Circuito RPC Television on 5 January, PAPO President Carlos Ivan Zuniga announced that "for the sake of unity, we said we would support any slate approved by the opposition as long as first, that slate is based on a democratization program, and second, that it be a sole slate. In other words, if the opposition presents more than one slate, if it is divided, PAPO would not participate in the elections, because it would be totally and absolutely useless to compete in elections with a divided opposition against a united government force."

Socioeconomic Developments

The economic situation continues to receive extensive coverage. In remarks published by MEDIODIA on 3 January, Manuel Solis Palma stated that "there are reasons to feel that 1989 will be a little better than 1988." Regarding the reduction of government workers' salaries, he said that "no decision has yet been made in this regard" and that the government will adopt the measures that "will not cause any upheaval or difficult situation" among the government workers. However, Education Minister Rolando Murgas was quoted by MEDIODIA that same day as warning that "no investments will be made for new schools or expansion" and that "there will be problems here and in other ministries with regard to delays in the payment of salaries," depending on the "level of the U.S. aggression."

The University of Panama has also been affected by the economic crisis. In statements to Telemetro Television on 3 January, Miguel Angel Candanedo, secretary general of the university, said that to date more than 7,000 students have been unable to pay their registration fees. He added that the university does not yet know what its 1989 budget will be and that its "economic situation is becoming extremely difficult."

On 3 January, Nestor Mendez Villareal, president of the Association of Professors, told MEDIODIA that the teachers will not permit a wage reduction. In statements broadcast by Telemetro Television on 6 January, FENASEP Deputy Secretary Juan Samudio said that they "are against all measures which harm the interests of their members" and that they "are tired of having the government not keep its promises." According to a FENASEP communique reported by Panama City ACAN on 6 January, FENASEP accused government leaders of "not making decisions to correct errors and not consistently confronting (U.S.) aggression with popular measures."

In an effort to inject funds into the economy, banking authorities ordered banks to end the restrictions on checking accounts, effective 3 January. According to MATUTINO on 3 January, the measure would release "more than 30 million balboas" held in checking accounts and was aimed at restoring confidence in the use of checks. However, in a report published by MEDIODIA on 6 January, Pierre Leignadier, president of the Panama Chamber of Commerce, Industry, and Agriculture, expressed serious doubts about whether in fact "those $30 million are really still in Panama."

In statements to Telemetro Television on 3 January, Edgardo Lasso Valdes, president of the National Banking Association, said that a total normalization of banking activities depends on the way that the country's political and economic problems are solved.

In an interview broadcast by Circuito RPC Television on 5 January, Planning and Economic Policy Minister Gustavo Gonzalez said the 1989 budget will have to be discussed to adapt it to the country's real needs. Asked about the economic outlook for 1989, Gonzalez said: "Trying to view things with realistic optimism, we have to say that 1989 will require great effort from us to maintain a position that will enable us to meet the country's priorities. The electoral priority comes first and measures must be taken to deal with the electoral process, which requires heavy resources. Those resources will have to be adequately managed so other expenditures, which are also important, will not be harmed. Second, we have to continue efforts to obtain foreign financing so we can begin a process of public sector investments that will bring about other investments and the reactivation of the private economy."

Replying to the planning minister's remarks, opposition economist Ruben Dario Carles told Circuito RPC Television on 5 January that the lack of a 1989 budget will have a negative effect on the government's plans because there is no programming. He said "the government will have to decide day by day what it can or cannot do."

On 8 January, Panama City Domestic Service reported that state-owned Air Panama lost $17 million in 1988 but that "in spite of difficulties imposed by the U.S. economic aggression, the company experienced a recovery during the past few months." LA ESTRELLA DE PANAMA on 4 January reported that in an effort to increase revenue, the government increased the price of passports from $30 to $50. According to the paper, the passports will have more pages and carry "nationalistic slogans."

Argentina

Further on British-Chartered 'Indiana I'

Union Requests Boycott

PY1301204989 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1925 GMT 13 Jan 89

[Text] Buenos Aires, 13 Jan (NA)—The CGT [General Confederation of Labor] today sent a telegram to the Uruguayan PIT-CNT [InterUnion Workers Plenum-National Convention of Workers] asking "that loading and unloading services not be rendered" to the "Indiana I," the ship that will join the Malvinas Islands, Montevideo, and the Chilean port of Punta Arenas.

A communique issued by the CGT states that "this is not a case of a routine arrival of a merchant ship, even though it may be sailing under a flag that has been chosen to suit this purpose. The ship is essential for the maintenance of the British fortress on the Malvinas, and it has been chartered by a British company for that specific purpose."

The CGT added that "the time has come to tell the invaders that the will expressed by the UN General Assembly not only represents the governments with representatives at the forum, but is the firm will of all nations that condemn all forms of imperialism."

The communique stressed that "Latin American unity, which is the permanent objective of the CGT, will not be undermined by this contemptible British provocation, because our continent is not the appropriate grounds for slavery, as our people have repeatedly shown."

The CGT said that "we condemn the presence of the ship as an unfriendly action, because the ship is carrying the result of the organized looting of the fishing resources that belong to the Argentine people."

Uruguayan Position Praised

PY1601211689 Buenos Aires TELAM in Spanish 2059 GMT 15 Jan 89

[Text] Buenos Aires, 16 Jan (TELAM)—The Argentine Foreign Ministry today expressed appreciation for the "clear position" of the Uruguayan Government in the case of the "Indiana I," the ship that arrived today in Montevideo from the Malvinas Islands.

In a communique, the Foreign Ministry emphasized that on 12 January 1989 the government of President Julio Maria Sanguinetti rejected "the possibility of establishing a regular line between the Malvinas Islands and Uruguay."

The Foreign Ministry also emphasized "the refusal of friendly countries to facilitate the establishment of regular communication between the islands and the continent as an expression of solidarity with our country."

Further on Communique

PY1601225989 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2150 GMT 16 Jan 89

[Text] Buenos Aires, 16 Jan (NA)—Today the Argentine Government reasserted its hope that "Argentina and the United Kingdom will be able to resolve all pending problems related to the Malvinas Islands issue through negotiations."

The statement made by President Raul Alfonsin's administration is included in a communique issued this afternoon by the Foreign Ministry. In the communique, the Argentine Government also expressed its appreciation for the "Uruguayan Government's clear position [regarding the case of the "Indiana I"] demonstrated by rejecting the possibility of establishing a regular line between the Malvinas Islands and Uruguay."

Herewith the text of the communique:

"The Foreign Ministry wishes to express the following regarding the voyage of the 'Indiana I' between the Malvinas Islands and the port of Montevideo.

"1. It is clear that a delay in finding a negotiated solution to the dispute between Argentina and the United Kingdom over the Malvinas Islands is a permanent obstacle in the development of the Malvinas Islands and in its communication with the rest of the world.

"2. Ignoring this situation will only create an illusion about a false development built on weak bases. Proof of this is the refusal of friendly countries to facilitate the establishment of regular communication between the islands and the continent as an expression of solidarity with our country.

"3. The Argentine Government wishes to express its appreciation for the clear position adopted by the Uruguayan Government in its communique of 12 January, in which it rejects the possibility of establishing a regular line between the Malvinas Islands and Uruguay.

"4. Based on its just position and the support that has been reasserted by the international community, Argentina reasserts its hope that Argentina and the United Kingdom will be able to resolve all pending problems related to the Malvinas Islands issue through negotiations."

Brazil

Sarney Announces Economic 'Shock Measures'

PY1701022689 Rio de Janeiro O GLOBO in Portuguese 16 Jan 89 Economy Section p 3

[Speech by President Jose Sarney on new economic and administrative measures, from the Planalto Palace on 15 January]

[Text] Brazilian women and men:

Once again fate has reserved for me a task of great responsibility.

I have extremely important decisions to announce to the country. Such decisions are only reached in crucial moments when a nation is in danger. The seriousness of this moment forces me to steal a few moments of your time this Sunday. I felt I could steal these moments because imperious, pragmatic, and technical reasons force me to do so.

Today, 15 January, the monthly inflation rate will be calculated, as in every month. The inflation rate is calculated monthly beginning on the 15th of each month. The rest of the month is used to process in the computers the enormous amount of data collected during the period that ended the previous 15th. The struggle we will now start thus had to start today, 15 January.

I want to call on all of you to begin a full-fledged fight against inflation. In this fight we will use the harshest weapons and the most profound measures ever adopted in the country. I am aware of the sacrifices that this fight will impose on the people, and I must count on the understanding of the entire Brazilian population regarding the seriousness of this crisis. I must warn you, however, that I will firmly engage in this fight.

Inflation is currently the most serious problem in our country, and the fight against it is our priority. We do have other problems, but if we fail to solve the inflation problem we will not be able to solve the other problems.

The inflationary process did not start in my administration. When I took office, the inflation rate was already high. Brazil already had the largest foreign debt in the world, and most of our problems already existed. Everyone knows that it is extremely hard for indebted countries to fight inflation. If the people impartially analyze the current situation, however, they will have to admit that I have been fighting inflation since my first day in office.

If we summarize this fight, we will find positive moments when our people overcame economic difficulties, such as when the Cruzado Plan was implemented. At that time, the workers, the poor, and all of those who receive the lowest salaries were able to purchase goods that had been available only to a very small group of people. During the implementation of the Cruzado Plan, speculators—who do not work—could no longer become richer each day due to the monetary correction. During the implementation of that plan, people who were paying mortgages on their homes rejoiced because their mortgages were not increased brutally every month.

After the Cruzado Plan, I tried to fight inflation by adopting the Bresser Plan. This plan, however, did not yield good results: The inflation rate decreased initially, but it began to rise eventually and continued to do so incessantly.

Despite these two failures, I did not give up, I continued to fight the problem. I followed the instructions of all the ministers who had been recommended to me by my party. I decided that in 1988 I would prepare the country for a new plan. To ensure the success of a new plan, however, we had to prepare the country and prevent further risks. This is why I did not want to adopt any plan in 1988 before making the necessary readjustments. This is why 1988 was a difficult year, a year in which I had to pay a very high political price.

I realize that, despite my great effort to find solutions and try to fix things, no one in the country was happy. This is to be expected, however, because no one living in a country with a 1,000-percent inflation can be happy.

The president of the Republic is just like any other citizen—I read the newspapers, I watch television, I talk to people from various parts of the country—and I cannot deny that I notice their dissatisfaction and that it bothers me. At no time, however, have I nurtured resentment or become discouraged. I can repeat Lincoln's famous sentence: I have never willingly and consciously harmed anyone. My conscience is at peace.

I have tried to be an example of patience and of democratic behavior. This democratic spirit can be found in our laws, in our natinal rhetoric, but the rights and duties deriving from this spirit have not permeated our national conscience. I recall the words of Jacques Maritain [famous contemporary Catholic philosopher]: The tragedy of the modern democracies is that they still did not succeed in democratizing themselves.

The measures that we are adopting today can only be adopted in a very serious situation. We were about to have hyperinflation in the country. Without these measures, inflation might reach 1,500 percent a year, and no country can preserve its institutions under such circumstances. All countries where such inflation was not stopped had their economy destroyed and their institutions dismantled by the horrible fire of inflation, which eliminated them all.

We cannot risk losing all that we have achieved. I am, therefore, not merely presenting to you an economic plan. I am calling on all of you to unite to help save the country. This task of redemption will demand generosity, self-denial, and courage. To prevent the shedding of blood and tears, we will have to fight and sacrifice ourselves.

Brazilian women and men, our country is living a paradox: We are a wealthy, powerful, prosperous country. We are entitled to success, and we have the necessary skills to achieve success. Despite the greatest crisis in our history, we have been able to achieve great things. We have had record harvests year after year. We have had the highest trade surplus in our history—the third highest in the world. We have one of the lowest unemployment rates. And to show what our country really is, we can mention that in 1988, a year of great difficulties for

us, we were the seventh most important industrial economy in the Western world. This is our real Brazil. Our real Brazil is not that of an inflation that consumes our entire national life and destroys our hopes, our national identity, our confidence in the country, our courage to face the future. Inflation harms nations in this way; inflation is cruel. It punishes the most vulnerable, the poorest, the most defenseless strata of society.

No democratic institution can survive hyperinflation and, unfortunately, we were getting dangerously close to hyperinflation. Inflation destroys society; it weakens and taints the moral and spiritual values that preserve a society; it disfigures the government's image and the image of our country. That is why today we must fight inflation.

I want to announce to the country that I have decreed new economic shock measures. All countries subject to rampant inflation have had to try various solutions and have had to repeat them until they overcome inflation. I know we too will succeed in overcoming it.

Throughout 1988 we prepared this plan. Four months ago we analyzed the situation again and decided what we would implement as of today. The moment to implement these measures is now, but the government cannot implement them alone. There must be shared responsibility and a common will.

We now have conditions that we could not count on previously. Relative prices are balanced. Our relations with the international financial community are normal. In 1988 our exports surpassed $30 billion. The domestic market is well supplied. We have readjusted the public service rates. The monetary budget was eliminated and the federal budget has been unified; we have a single Treasury now. We have controlled the public deficit for the first time and are now able to adopt the necessary measures to reduce government expenses effectively. We have improved our public accounting mechanisms and made public accounting truly open. We are now in a position to fight the three main components of inflation: the structural, the inertial, and the psychological components.

With those facts in mind and concerned with achieving those purposes, I have decreed the strictest measures in our history. From today on, the government will not spend a single penny more than it has really collected in taxes; no one will be able to spend money without previous Treasury authorization; 50 percent of the funds assigned for common administrative expenses are frozen; the government will not borrow new money; the Government Treasury Bonds, OTN, created to raise funds for the Treasury, will cease to exist; these bonds, which for years served for the general indexation of the economy, were the cause of the uncontrollable inflation.

As of today, the government is also ceasing to interfere with indexation in private business contracts. In every case, each party will freely choose any index allowed by law for readjustment purposes.

I have also decreed a temporary general price freeze and I trust that this decree will be faithfully complied with. If there is any abuse, however, I will resort to the law. If these laws are not enough, I will not hesitate, regardless of the reactions and consequences, to decree other penalties aimed at defending the consumers and society in general.

With the sudden and drastic decrease in inflation, which will be observed as of tomorrow, we will establish a salary policy agreed upon by employees and employers. Salaries below the average real salary of the last 12 months, as represented by monthly OTN's, will be immediately readjusted to reflect the real average.

I have revoked Decree No 2,335 of June 1987, which created the monthly readjustment system. The two automatic salary adjustment instruments being used in the country—the salary adjustment trigger of 1986 and the URP [Price Reference Unit] of 1987—proved insufficient in maintaining the purchasing power of salaries.

Brazilians, I want to reassert what I have told dozens of people with whom I talked in the past few days. This economic program is not a modified version of the former ones. In the other attempts we did not include a fiscal policy and a monetary policy—which alone could be responsible for inflation—and a harsh administrative policy to reduce the state apparatus. The adoption of these policies constitutes an exemplary lesson.

Regarding the administration, we did something that was never done before in Brazilian history. We abolished the Agrarian Reform and Irrigation Ministries, which from now on will become programs of the Agriculture Ministry. I abolished the Housing and Social Welfare Ministries. I abolished the Science and Technology Ministry and the Industry and Commerce Ministry, which will be consolidated under the Ministry of Industrial Development, Science, and Technology.

Finally, I have abolished the Administration Ministry and passed the administrative activity on to the SEPLAN [Secretariat of Planning]. I ordered that all commissioned posts of these ministries be abolished and that the number of personnel hired by other ministries be drastically reduced. I abolished three independent government companies. We deactivated or ordered the sale of stock ownership control of 14 state companies, and part of the shares of several other state companies.

I also ordered the summoning of special general assemblies of the mixed-economy companies for the specific purpose of eliminating 573 posts of executive officers and fiscal administration councils.

I am ordering direct administrative organization managers to rescind the contracts of those employees who in the past 5 years were hired without fulfilling prerequisites for their posts, disregarding the Constitution.

To implement this policy we will continue to apply the necessary laws, immediately firing those employees who do not comply with the measures.

I want to calm the small savers. Savings accounts, which are a symbol of the savings habits of our families, will not be modified. The balance of savings accounts will continue to be readjusted monthly and interest paid on them.

Under a Constitutional Provisional Measure, I decreed that the new cruzado be adopted. Each unit of this currency will correspond to a thousand units of the old cruzado.

I have also authorized the Central Bank to devaluate the new currency by 17 percent. Consequently, a new cruzado is equal to 1 dollar.

As a complementary measure, I ordered that operations in foreign currency be conducted only through the Central Bank, thus enabling the government to protect the level of Brazilian reserves in foreign currency. This does not mean that the foreign debt agreement signed with our creditors will be broken or that we will fail to meet our foreign debt obligations. It merely gives us flexibility to harmoniously maintain and expand the agreements established with the international financial community.

I also ordered that studies be completed for an additional program to reduce the foreign debt within the spirit and as a natural complement of the 1988 agreements.

If the time comes to make choices in this subject, as in any other, we will always favor our interest in national development and the well-being of the Brazilian people.

We are also ruling out the possibility of recession, as we did when we launched the Cruzado Plan. It is well known that low inflation is the best way to grow. The National Treasury and the central administration do not have resources for new investments. However, thanks to the policy of realistic utility rates adopted in 1988, our large state companies have noninflationary investment programs for 1989.

This year the companies PETROBRAS, ELETROBRAS [Brazilian Electric Power Companies, Inc.], the Doce River Valley company, the railway companies, SIDEBRAS [Brazilian Iron and Steel, Inc.], and TELEBRAS [Brazilian Telecommunications, Inc.] will invest a total of 15 billion new cruzados or 15 trillion old cruzados in the expansion of their services, in mineral prospecting, and in the construction of the infrastructure necessary to prepare Brazil for the next decade.

The BNDES [National Social and Economic Development Bank] system, in turn, has resources worth 5.3 billion new cruzados or 5.3 trillion old cruzados for the financing of the private sector; that is, 20 percent more than in 1988.

To energize industry, FINAME [Fund for Financing Machinery and Equipment] will be in position to finance up to 90 percent of equipment costs. We also expect to obtain a sizable sum of resources through the privatization of enterprises such as ACESITA [Atabira Special Steel Company], Union Petrochemical, FOSFERTIL [expansion unknown], USIMINAS [Minas Gerais Iron and Steel Mills], CONFAB [Brazilian National Steel Forging Company], Piratini Steel Company, Tubarao Steel Company, GOIASFERTIL [Goias State Fertilizer Company], and others. Another source of resources will be the sale of property of state-run companies that is not being used in their specific activities. A third source will be created by changing the stock ownership structure of state-owned companies that have a tradition of liquidity and responsibility on our stock exchanges. In this case, the objective is to increase the democratization of stock ownership in enterprises such as the Bank of Brazil, the Doce River Valley Company, and PETROBRAS, maintaining, however, the control of stocks in the hands of the Treasury and the country.

We are also expecting to receive international resources from development agencies, with which we are negotiating loans that are in the process of being released.

I call on state governors, city mayors, and authorities to assume the tasks of overseeing compliance with listed prices and the maintenance of nonlisted prices. We are going to organize regional, state, and municipal groups to keep an eye on the price lists, the program's implementation, and its modifications and corrections.

In sum, the groups will ensure the effective participation of society in forming policies to implement these measures under the Social Pact. Nobody will say that adjustment actions have not been taken due to the negligence of the executive branch. We will act with energy, through the Federal Police and the Federal Internal Revenues Office with all their instruments, to enforce throughout the country the interests of the community in order to bring down inflation.

Tomorrow the newspapers of the main capital cities will carry the list of frozen prices. I will now address the housewives in particular. The ladies who are listening, the household heads, and all those who shop in markets should react to abuses by not purchasing, by organizing themselves, by protesting, by using their rights in a democratic regime, and by participating in housewives associations. They should thus resist price markups that are made in the dead of night and even in broad daylight. You are the best overseer of your own rights as citizens and consumers. You are nobody's overseer but your own. You watch your salary and you watch that exploiters do not take advantage of your sacrifice. You are Brazil's overseer; you stand in the way of those who want to destroy our economy. Defend your own rights, because neither you nor the government can let the freeze be flouted.

Many will say that the freeze does not resolve anything; but in this dangerous time, the freeze must be understood as a heroic measure. As soon as the danger is dispelled, normality will return. Let us take a look at what has happened in recent days. Bad Brazilians, speculating on the possibility of a freeze, hurriedly increased prices, trying to increase their profits. The businessmen have a great responsibility for the great services they have rendered the country. The private enterprises drive the country's development. They must not let their image be soiled. The good businessman is his o[illegible]n overseer.

The Social Pact has distributed a list of prices prevailing last week. It will be a reference list. Take this list and compare it with marked-up prices. Refuse to pay any difference. Do your shopping where prices are lower, where you are not being deceived. Use the mechanisms we are creating to defend your interests. You can disagree with me, criticize me, and attack me, but you cannot let Brazil down.

The recently approved Constitution created a new federation. The Congress will have to analyze the temporary measures adopted in the wake of the administrative reform and the new fiscal and monetary policy. I call on the nation's deputies and senators to participate jointly in this effort to save the nation.

Brazilian men and women, I have a duty to the nation. To discharge it, I had to dismiss colleagues who have greatly served the country, buck special interests, tolerate misunderstandings, veto projects, and resist pressures. We have to face obstacles and hardships, but this is a fair price to pay for social justice, stability, peace, freedom, and solid institutions. We are at the starting line today and the road ahead is not easy. The going will be difficult but we will proceed, even if we have to adopt more measures.

But we will forge ahead. I am sure that the great difficulties will be overcome soon. Inflation will drop, and it will drop a lot. We will resume our economic growth. The country will recover its confidence. Prices will stabilize. Noninflationary public investments will be made again. Private investments will also be made again. International investments and resources will also return. The democratic transition will not be threatened by inflation. Our pluralistic system will allow a free exchange of ideas. This year's elections will be calm, and the future president, who will be elected in November, will find the country in conditions to take a giant leap into the future without the difficulties I have had.

Brazil, I am sure, will find new hope. Its people will again be joyous; its businessmen will regain security and confidence; and its workingmen will once gain receive fairer and better pay. All the difficulties will pass away, remaining only as a memory of a hard struggle in which once more Brazil, our great Brazil, came out as winner.

Government To Dismiss 60,000 Public Employees

PY1701031089 Rio de Janeiro O GLOBO in Portuguese 16 Jan 89 p 5

[Excerpt] Brasilia—On 1 March the government will summarily dismiss nearly 60,000 public employees who were contracted without participating in a legally mandated public competition for the post. According to Planning Minister Joao Batista de Abreu, the different organs of the federal administration will conduct a survey to determine the exact number of employees hired illegally. The minister said that all temporary employees will also be dismissed.

The criteria to be used in determining who will be let go is the strict observance of the requirements established by the Constitution, which only makes exceptions for those employees hired at least 5 years before its promulgation. The Constitution establishes that only those contracted after public competition should remain in office within this 5-year period.

The first estimates set the number of dismissals at 60,000. According to Abreu, a very careful analysis will be necessary to ascertain who really meets the legal requirements and seniority and who will have to leave because of the constitutional requirement. Minister Abreu made this remark during the official announcement of the economic package and administrative reform.

A still undetermined number of public employees will also lose their jobs due to the elimination of 42 state organs, councils, foundations, and enterprises. These employees will receive FGTS [Severance Insurance Fund] payments and 3 months of severance pay, according to legislation. According to the minister, the ensuing federal savings will be considerable. [passage omitted]

Names of New Cabinet Members Confirmed

PY1701003089 Rio de Janeiro Rede Globo Television in Portuguese 2155 GMT 16 Jan 89

[Text] Dr Seigo Suzuki has been named the new health minister. Suzuki, who is president of the Zerbini Foundation of the Sao Paulo Clinicas Hospital, was appointed health minister after Dr Vicente Amato turned down President Sarney's invitation to occupy this post.

This evening Planalto Palace confirmed the names of the new ministers within the framework of administrative reform.

Carlos Sant'anna has been named education minister; Oscar Diaz Correa, justice minister; Vicente Fialho, mines and energy minister; and Roberto Cardoso Alves has been appointed head of the recently created Ministry of Industrial Development, Science and Technology.

Colombia

Defense Minister Comments on Seized Weapons

PA1501034989 Bogota Inravision Television Cadena 1 in Spanish 0123 GMT 15 Jan 89

[Speech by Defense Minister Jaime Guerrero Paz, place not given—live or recorded]

[Text] Good evening, for the next few minutes I will discuss the recent weapons shipment confiscated by the Colombian Government.

First, I regret that some news media have doubted the word of a man who has served the fatherland for 40 years, who has the rank of general of the Republic, and is also a state minister.

On 10 January, I gave an account of the weapons shipment from Portugal that arrived in Jamaica and was later shipped to the Colombian Government. During that news conference, I made four categorical statements that have been questioned.

First, I said the Colombian importation documents were totally false. Second, I said that the weapons came from Portugal. Third, I said that the weapons arrived in Jamaica and were shipped from that country to Colombia for delivery to the Colombian Government. Fourth, I declared categorically that the final destination of the weapons was the FARC.

Until today, I was prevented from proving my allegations with documentary evidence because I had not concluded my investigation. Now, I can proceed so that public opinion can be certain that the statements made by a general of the Republic are completely true.

The importation documents. There is a document that is called the bill of lading, which is the one that the port authorities and companies that transport goods from different parts of the world use to legalize the shipments. In this case, a false document was used, which I submit to the consideration of the public. It is this certificate, bill of lading, which is a gross forgery, and by comparing them you can see two different documents. This document is signed by the aviation infantry commander for the importation of some spare parts for G - 3 rifles from Portugal. This second one, which I am holding in my left hand, is the one that was used to try to bring into the country this dangerous shipment. A simple comparison shows that the seals used differ significantly from each other. In my right hand I am holding the paper used by the Defense Ministry Secretariat and the two seals that are used. One is for the records and correspondence, and the other one is for the general secretariat. In this case, this seal corresponds to the section of records and correspondence. It is quite different from the one used by that section. It is a forgery and imitation of the bill of lading certificate. Therefore, it is not, as I said categorically and maintain, an importation by the Colombian Government of a purchase made from Portugal. Furthermore, I must categorically state that Colombia throughout its history has never bought weapons from Portugal. It has simply limited itself to buying some spare parts, as I said when I presented this document addressed to the National Defense Industry EP [expansion unknown] of Portugal, which authorized the sale of some spare parts to the Colombian Government.

That document authorizes the sale of parts to the Colombian Government.

Second, the purchases from the Heckler and Koch Company [a German arms company] were made directly with that firm in Germany. We used intermediaries when we imported rifles from the (Seures) firm. The rifles we bought from (Seures) will soon arrive in Colombia, but we have not yet completed the transaction.

I have therefore demonstrated that false documents were used for the illegal importation of weapons through Jamaica.

I also said that the weapons were coming from Portugal and tonight I will confirm that by calling your attention to several facts:

First, in this encyclopedia, which contains information on all the weapons that are manufactured in the world, we found mortars made by the Portuguese military industry. We found Portuguese mortars that are made at the Branco de Prata Military Factory in Portugal, which carry the initials FMBP. I call your attention to these mortars. This is an M/968FBP 60-mm mortar. Those initials clearly prove that this mortar was made in Portugal.

Similarly, if we look at this weapon and if we see the picture that appears in the encyclopedia, we can confirm they are the same weapons. This shows these weapons were made in Portugal.

In addition, the grenade used in this mortar carries the same initials FMP [initials as heard]. As to the G-3 A-3 rifles, we can show you here in the encyclopedia that those are Portuguese rifles, the ones called G-3 FMP. It is made in Portugal. This one is the rifle the Colombian Armed Forces are currently using. In addition to having the national banner inscribed on one side, those rifles also carry the initials of the Heckler and Koch Company on the other side. That rifle is very different from the Portuguese one as I already proved when I showed you the initials the Portuguese rifles carry on one side.

The HK-21 machineguns are also Portuguese-made [as heard] and they carry the initials on the upper part of the weapon. The initials are HK-21 FMP, and it also carries the weapons number and the group to which it belongs.

Here I have a very important document that was recently sent to me by the Heckler and Koch Company. I will read it to further clarify the situation:

General Manuel Jaime Guerrero Paz

Colombian Defense Minister

Through international news reports, we heave learned that a shipment of weapons and ammunition was confiscated in Jamaica. According to the information we received, the shipment includes 1,000 rifles, 250 machineguns, and 10 mortars among other things.

According to the reports, the load was shipped from Portugal to Jamaica for onward shipment to Colombia by air.

Reports we have received mistakenly say the weapons were bought from Heckler and Koch, in other words, from our firm.

Dear Minister: We deem it urgent to inform you of the following:

We hereby declare and maintain that our company did not sell or supply the shipment confiscated in Jamaica. Any report or publication stating that the weapons were purchased in Germany from the firm of Heckler and Koch is incorrect.

We assume that the shipment originated from one of the countries where the weapons are produced under license. The G-3 rifle is produced under license in 11 countries, most of which do not have export rights. However, we know that some countries are trying to sell their products—in violation of the agreements on license contracts granted by the German Government.

Regarding the 250 machi..eguns—the weapon you can see mounted on a bipod—we must inform you that this model was discontinued approximately 10 years ago; a few years later, it was only produced by one country: Portugal.

Regarding the 60-mm mortars, you certainly know that we do not make this type of weapon.

Since we have no further details, we cannot determine the origin of the confiscated weapons. However, we can assure you that the merchandise was not sent by Heckler and Koch and that we are not directly or indirectly involved in the case. The note is signed by Walter Lam, manager of Heckler and Koch.

I also want to inform the Colombian public that I have a copy of the shipping document. The letterhead reads INDEP, which is the National Defense Industry of Portugal. This is, for all practical purposes, the company that delivered the weapons through another enterprise engaged in arms smuggling—the Anglo-Inter-American Marine Service. The shipment was delivered and shipped to Jamaica.

I also have in my hands the correspondence exchanged between the Anglo-Inter-American Marine Service and David Eveleigh, who is the representative and president of a firm in Panama—the Blue Water Ship Management—located in Balboa, Republic of Panama. This document, written in English, clearly states that the National Defense Industry of Portugal was to deliver the weapons to a steamship company to be sent directly to the Blue Water Ship Management. This part of the document contains the instructions given to the National Defense Industry of Portugal for the delivery of the weapons. The second part of the document describes the contents of the shipment that was to be sent in the ship "Copacabana."

I think I have now demonstrated that these weapons originated in Portugal, and that they were sold by means of false documents, by forging the ones that Colombia uses for that type of transaction.

Third, I said that the weapons came from Jamaica. On 30 December I sent the following note to Jamaican Security Minister Anderson:

Mr Minister: In accordance with our telephone conversation, I repeat that my government has not authorized a shipment for the Colombian military of G-3 rifles or any type of weapons. If your country has received such a shipment, I will not accept it. In addition, I authorize you to hold it and prosecute those responsible for this traffic. I may be contacted at the telephone number I gave you. Cordially, Manuel Jaime Guerrero Paz, national defense minster. I sent this document via fax on last December 30. On 31 December 1988, I sent a letter to Mr Anderson, Jamaican security minister.

It said the following: I hereby inform the security minister that, although Colombia entered into a contract to obtain 1,010 G-3 rifles for the Colombian Air Force, the transaction has not been concluded. Therefore, these weapons cannot be dispatched until the legal papers are ready. Also, the weapons can only be dispatched from a German port to a Colombian port.

The above permits us to state that the weapons currently in Jamaica do not have the Colombian Government as the consignee; that the documents serving as the basis for the shipment are false; and that it is a clear case of illegal weapons trafficking. I signed this document on 31 December 1988.

The Jamaican Army chief of staff sent me the weapons on 6 January 1989 with a document addressed to the Army commanding general, Bogota, Colombia. It describes the shipment and includes a list with the corresponding number of 1,000 G-3, A-3 rifles, 250

HK-21 machineguns, 10 60-mm mortars, and 600 mortar grenades. Therefore, it has not been the product of my imagination to state that these weapons came from Jamaica and that the Jamaican Government, in a generous gesture of inter-American democratic solidarity, placed in Colombian hands for safekeeping the weapons that were intended for subversion.

The fourth point I want to cover this evening is the final destination of the military materiel. During the news conference that I held on 10 January 1989 I said that the final destination of the shipment was the FARC. I based this charge on three fundamental facts:

First is the following statement made by David Eveleigh in Jamaica: the ship arrived in Kingston on 22 December 1988 and it was supposed to wait there for the arrival of a plane obtained in Miami to transfer and transport the shipment to Colombia. The aircraft did not arrive because of electrical problems. Three landing strips had been provided in Colombia in a jungle region in the south. However, one of the landing strips had been destroyed or bombed by the Army. At the end of the operation the FARC would pay the commission to Eveleigh, transferring the ship and aircraft to him as soon as he returned from Colombia. It adds: the FARC negotiations were for $3.5 million but only $1.5 million was paid and, depending on how the operation turned out, the FARC would pay the rest to bring in more weapons.

The second point on which I based my allegation is the detention of Alvaro Eduardo Benavides, who was captured in Jamaica and later deported to the capital of the Republic of Colombia. This individual is closely linked with the network of logistical support recently dismantled in the city of Bogota. Furthermore, he is also linked with the FARC. The National Police Intelligence service has had information for some time on the shipment and its connection to Alvaro Eduardo Benavides. Because of the pending investigation, I will omit details on this. Once the penal investigation is concluded, the country will learn the truth of these facts.

The third point on which I based my allegation is the same information that the Jamaican Government supplied after concluding the interrogation of each one of the persons implicated in this operation.

Therefore, I hope I have fulfilled the purpose of explaining to the Colombian people four points on which there was, or may have been, some doubt, motivated by lack of credibility, which some elements in the news media manifested several days ago. Good evening.

New Terrorist Group Appears, Bombs Popayan

PA1501031089 Bogota Inravision Television Cadena 1 in Spanish 0153 GMT 15 Jan 89

[Report by Mario Arboleda]

[Text] A new terrorist group calling itself Death to Bazuqueros [Muerte a Bazuqueros] [bazuqeros are those who produce a mix of cocaine and marijuana known as bazuco] has appeared in Colombia and entered Popayan City today.

The terrorists detonated three bombs in houses that allegedly sell bazuco in Popayan City.

The residents of Popayan City experienced a morning of terror when three houses were attacked by terrorists. According to the authorities, bazuco was being sold in those houses. Powerful mines exploded in each of the three houses and affected approximately 20 houses destroying windows and other glass items.

One woman was injured and was rushed to a local hospital. The explosion also damaged the headquarters of a health workers labor union.

Phone calls made to a radio station indicate that the attacks were conducted by a group calling itself Death to Bazuqueros.

A few seconds after the explosion, the police searched nearby houses and confiscated large amounts of drugs. Despite the authorities actions, no one has been arrested thus far.

Uruguay

Union Invites Argentine CGT To Discuss Ferry

PY1601115589 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1917 GMT 15 Jan 89

[Text] Buenos Aires, 15 Jan (NA)—The Argentine CGT [General Confederation of Labor] today received an invitation from the Uruguayan Labor Union Organization PIT-CNT to send a delegation to Uruguay to agree on the adoption of "measures to boycott" the arrival of the ferry "Indiana I" in Montevideo. The ferry is coming from the Malvinas Islands.

A local CGT spokesman stated that the PIT-CNT sent an invitation in a telegram. He added that tomorrow CGT Secretary General Saul Ubaldini will designate the Argentine delegation.

Ferry Arrives in Montevideo

PY1601140589 Buenos Aires TELAM in Spanish 1241 GMT 16 Jan 89

[Text] Buenos Aires, 16 Jan (TELAM)—Radio Oriental has reported that the ferry "Indiana I," which came from the Malvinas Islands, this morning docked at the port of Montevideo, Republic of Uruguay, amid unusual security measures.

In a telephone report for TELAM, Radio Oriental said that the ferry docked after 1000 this morning and that it provoked a demonstration by members of unions affiliated with the Maritime Interunion. The demonstrators were carrying placards denouncing the arrival of the British ship in Uruguay.

The Maritime Interunion, which consists of 14 dock workers' unions, will meet at 1100 to consider a request by the Argentine CGT to boycott the "Indiana I."

It has been reported that the ferry will stay in Montevideo for approximately 24 hours to unload part of its cargo, and that it will then set sail for the city of Punta Arenas, Chile.

Unions Decide To Boycott Ferry

PY1701030589 Madrid EFE in Spanish 0051 GMT 16 Jan 89

[Text] Montevideo, 16 Jan (EFE)—The Interunion Organization of Uruguayan Dockworkers today decided to accept the request made by the Argentine General Confederation of Labor (CGT) to not provide port services to any cargo vessel that arrives in Montevideo from the Malvinas Islands.

The ferry "Indiana I" today broke an almost 7-year-maritime-blockade by docking at Montevideo port, where it loaded foodstuffs.

This vessel is the first one to run the Malvinas, Montevideo, Punta Arenas (Chile) route since the 1982 war over the Malvinas waged by Argentina and Great Britain.

On Friday the 13th the CGT asked its Uruguayan counterpart not to grant any port services to the ferry "as a sign of brotherhood and repudiation of imperialism."

The subject was discussed today by the leaders of the Uruguayan Labor Union Organization PIT-CNT, the main Uruguayan labor union; a CGT delegation; and the Interunion Organization of Maritime and Dockworkers, formed by 14 different groups.

In a joint communique the union leaders assert that the arrival of the ferry "Indiana I" represents "an attempt to stir up political and commercial incidents designed to strengthen the illegal occupation by force of the Malvinas Islands by British imperialism, in view of the passivity and acquiescence of the Uruguayan and Argentine Governments."

The document goes on to state that the labor union organizations that represent the Uruguayan and Argentine workers "will not remain indifferent or passive in view of events that represent an attack against our sovereignty."

The Uruguayan dockworkers have decided "not to grant services of any sort to any vessel that attempts to establish regular or irregular services between the Malvinas and Montevideo, except for humanitarian reasons or when human life is at stake."

The two countries' labor unions also announced the adoption of "immediate measures" in case "any repressive measure are taken against the aforementioned resolution."

The labor organizations have declared themselves in "permanent session" to draw up a document "establishing the scope of the measures adopted."

This document will be signed on 23 January in Montevideo by PIT-CNT Secretary General Jose Delia and Argentine CGT Secretary General Saul Ubaldini.

Esteban Nunez, member of the Uruguayan Central Union executive board, told EFE that this resolution establishes that vessels that arrive in Montevideo from the Malvinas "will not be granted services, neither by hired or military personnel, because this is established in the regulations currently in force."

On Thursday, 12 January, the Uruguayan Government authorized the supply of port services to the "Indiana I." However, the Foreign Ministry asserted in an official communique that "it will prevent the establishment of a regular service (with the Malvinas), authorization for which has not and will not be granted."

Venezuela

Perez Announces New Cabinet Appointments

PA1401001789 Hamburg DPA in Spanish 2238 GMT 13 Jan 89

[Text] Caracas, 13 Jan (DPA)—During a meeting with the National Executive Committee (CEN) of his party, the social democratic Democratic Action Party (AD), Venezuelan President-elect Carlos Andres Perez today announced the names of the ministers who will make up his cabinet as of 2 February.

The ministers appointed by Perez—most of whom were expected to be named—are as follows:

Interior:	AD Secretary General Alejandro Izaguirre
Foreign Affairs:	Enrique Tejera Paris
Finance:	Finance Deputy Minister Eglee Iturbe de Blanco
Defense:	General Italo del Valle Alliegro, confirmed.
Transport and Communications:	Gustavo Rada
Urban Development:	Luis Penzini Fleuri
Energy and Mines:	Celestino Armas
Development:	Moises Naim

Environment and Natural Resources:	Enrique Colmenares Finol
Health and Social Welfare:	Felipe Bello
Agriculture and Livestock:	Fanny Bello
Education:	Gustavo Rossen
Labor:	Marisela Padron
Family:	Teresa Albanez, current regional UNICEF director
Justice:	Luis Beltran Guerra
Secretariat of the Presidency:	Reinaldo Figueroa Planchart
Science and Technology:	Dulce Armao
Culture:	Jose Antonio Abreu
Coordination and Planning:	Miguel Rodriguez
Guyana Development:	Leopoldo Sucre Figarella

Perez did not announce the name of the minister for women's affairs.

The AD's CEN may give its opinion on the appointments but may not otherwise rule on them, so the announcement of the new ministers is simply a routine exercise.

Furthermore, the CEN elected former Minister Octavio Lepage as president of the Parliament, where the AD is the majority party. Lepage won by a very narrow margin—by only one vote more than David Morales Bello, who directed Perez' campaign.

In addition, Deputy Humberto Celli was appointed the party's interim secretary general, replacing Izaguirre.

Perez Reportedly Trying To Mediate Area Problems
PA1701002989 Panama City ACAN in Spanish 1626 GMT 16 Jan 89

[Report by Andreu Claret]

[Text] Panama City, 16 Jan (ACAN-EFE)—Most Central American leaders believe Carlos Andres Perez' rise to the Venezuelan Presidency on 2 February will help reactivate the regional peace process and attain a negotiated solution to the Nicaraguan and Panamanian situations.

Central American political sources revealed to ACAN-EFE that Perez has already talked on the telephone with Costa Rican President Oscar Arias, who is also a Social Democrat, and Nicaraguan President Daniel Ortega.

The telephone calls were decisive because Ortega agreed to postpone the Central American presidential summit, scheduled for this past weekend, thus facilitating an informal preparatory meeting during Perez' inauguration on 2 February.

According to sources close to the Costa Rican president, most of the Central American presidents will be in Caracas, along with other prominent protagonists of the regional crisis—such as Fidel Castro and representatives of the U.S. Administration—and this will help pave the road for the summit, which might be held during the 2d half of February.

Colonel Javier Carrion, deputy chief of the Nicaraguan General Staff, admitted to ACAN-EFE that "Perez can do a lot for peace in Central America," and said he hoped the new Venezuelan president will help renew the regional peace process.

Carrion recalled how much Perez had helped the Sandinists—during Perez' first administration—in their struggle against Somoza in 1978. During that time, the Venezuelan president and Panama's late "strongman" Omar Torrijos provided diplomatic and military support for the Nicaraguan guerrilla fighters.

Political observers in San Jose and Managua believe Perez has continued his "friendship" with the Sandinists, whom he continues to give "support and criticism," and he could mediate to help establish a favorable atmosphere between them and the Bush administration.

The observers emphasized that Perez has maintained a continuing relationship with the most moderate "contra" leaders, including Alfredo Cesar—with whom Perez met last week—and this could facilitate Perez' mediation in Nicaragua's internal conflict.

The same sources stated that Perez' initiative is supported by Spanish Prime Minister Felipe Gonzalez, who will also attend the inauguration, and European Social Democratic leaders, who are interested in using the new Venezuelan administration to renew the Socialist International's initiative in Latin America.

Sources close to the Costa Rican president reveal that Perez might convince Fidel Castro that it is necessary to stop aiding the Salvadoran guerrillas—one of the conditions demanded by the U.S. Administration to renew its dialogue with Nicaragua.

The observers have also emphasized the importance of Perez' 13 January meeting with Guillermo Ungo, leader of the Democratic Convergence, a leftist coalition that has close ties to the FMLN.

A high-ranking military officer close to General Manuel Antonio Noriega told ACAN-EFE that Perez may also play an important role in the renewal of a dialogue between Panama and the United States. Gen Noriega has asserted that "Latin America again has a leader" with the election of the new Venezuelan president.

The officer, a member of the Strategic Military Council—the Panamanian Defense Forces' decision-making organization—admitted that there have been some contacts with Perez, but failed to confirm that Gen Noriega received a letter from Perez that urged Noriega not to run for president in the 7 May elections.

According to Panamanian diplomatic sources, Perez stated in his letter that Noriega's election as president would definitely eliminate the possibility of negotiations with the Bush administration, before or after 7 May.

Carlos Andres Perez participated in an important meeting of Social Democratic leaders, sponsored by Felipe Gonzalez, in March 1988—during the most critical period of the Panamanian crisis. The meeting, which was also attended by Oscar Arias and former Costa Rican President Daniel Oduber, sought to find a solution to the Panamanian crisis.

The diplomats assert that the initiative failed, but Perez is not "burned out." The diplomats also confirmed the existence of "communication channels" between Perez and the Noriega regime, whose main opponent in the upcoming elections will be the Christian Democratic Party—against whom the Social Democrats are struggling to attain hegemony in Central America.

Perez Meets With Alfredo Cesar

PA1301141789 Madrid EFE in Spanish 2051 GMT 12 Jan 89

[Text] Caracas, 12 Jan (EFE)—Nicaraguan Resistance (RN) leader Alfredo Cesar has asked Venezuelan President-elect Carlos Andres Perez to put pressure on the Sandinist government to fulfill its commitment to democratize Nicaragua.

Cesar today released the details of a 10 January meeting he held with Perez. Cesar asked for Perez' support in seeking a political solution to the Nicaraguan conflict once Perez becomes Venezuelan president on 2 February.

Cesar said Perez gave him a positive reply and told him "he will very early begin all necessary efforts to achieve the democratization of Nicaragua."

The Nicaraguan opposition leader asserted that "the day the Latin American community works hand in hand with its ally, the United States, in designing a policy for Latin America, and especially for Central America, that is the day we will see democracy in Nicaragua."

Cesar announced that Perez had invited him to his presidential inauguration so Cesar can be privy to the talks and events that "will probably take place" there in view of the attendance of "all the protagonists of the Central American situation."

The contra leader stressed that Venezuela and the other countries that are trying to bring democracy to Nicaragua must also put pressure on Fidel Castro, who, in his opinion, has the determining influence on the Sandinists.

According to Cesar, Ortega's government cannot decide to abide by the Esquipulas II Agreement if Castro does not allow it to do so. Cesar added that the presence of the Cuban president at Perez's presidential inauguration could present an opportunity to tell Castro that Nicaragua must follow a democratization process.

Cesar also said Castro must be asked to withdraw Cuban civilians and military men working in Nicaragua as Army advisers or for the education, health, and transport sectors.

The contra leader said that if the Sandinists fulfill Esquipulas II, he is willing to lay down his weapons. Cesar added that "on the very day that Ortega signs a peace agreement, I rejoin the political struggle inside Nicaragua."

Cesar admitted there are disagreements within the RN directorate, "because of its plurality," but he ruled out the prevalence of a warlike tendency, "because those who would promote such a tendency would be isolated."

Lusinchi on Foreign Debt; Meets Diplomats

PA1401015189 Caracas Venezolana de Television Canal 8 in Spanish 0012 GMT 14 Jan 89

[Text] President Jaime Lusinchi feels that the foreign debt is a political problem that must be solved quickly and emphasized that he hopes creditor banks will not wait until it is too late before trying to resolve the problem.

This statement was made today by President Lusinchi at Miraflores Palace, where he received new year greetings from the diplomatic corps. Eighty-seven ambassadors or charges d'affaires gathered at the Sol del Peru Room to greet the president, who was accompanied by Foreign Minister German Nava Carrillo.

The president's discussions with the foreign diplomats obviously referred to the hopes that all political, economic, and social problems will be solved in the new year.

The ceremony was also attended by representatives of all the international organizations accredited to our country.

3-Month Postponement of Debt Payments Approved

PA1401020089 Caracas Venezolana Television Canal 8 in Spanish 0005 GMT 14 Jan 89

[Text] Finance Minister Hector Hurtado said today that the committee of creditor banks has agreed to Venezuela's request to postpone foreign debt payments for 3 months.

According to a source from the committee of creditor banks, the committee is favorably disposed toward Venezuela, and it is hoped that positive relations will be maintained with President-elect Carlos Andres Perez' administration.

Upon concluding his negotiations in the United States, which included talks in Washington, Minister Hurtado said the committee has decided to send telex messages to 450 creditor banks recommending that they accept the postponement of payments until the debt is renegotiated.

Minister Hurtado added that the talks were held in a cordial atmosphere, which was apparent from the speed with which Venezuela's request was approved.